News

FLEETS HIT BY WLTP FALL OUT AS LEAD TIMES LENGTHEN

FleetNews

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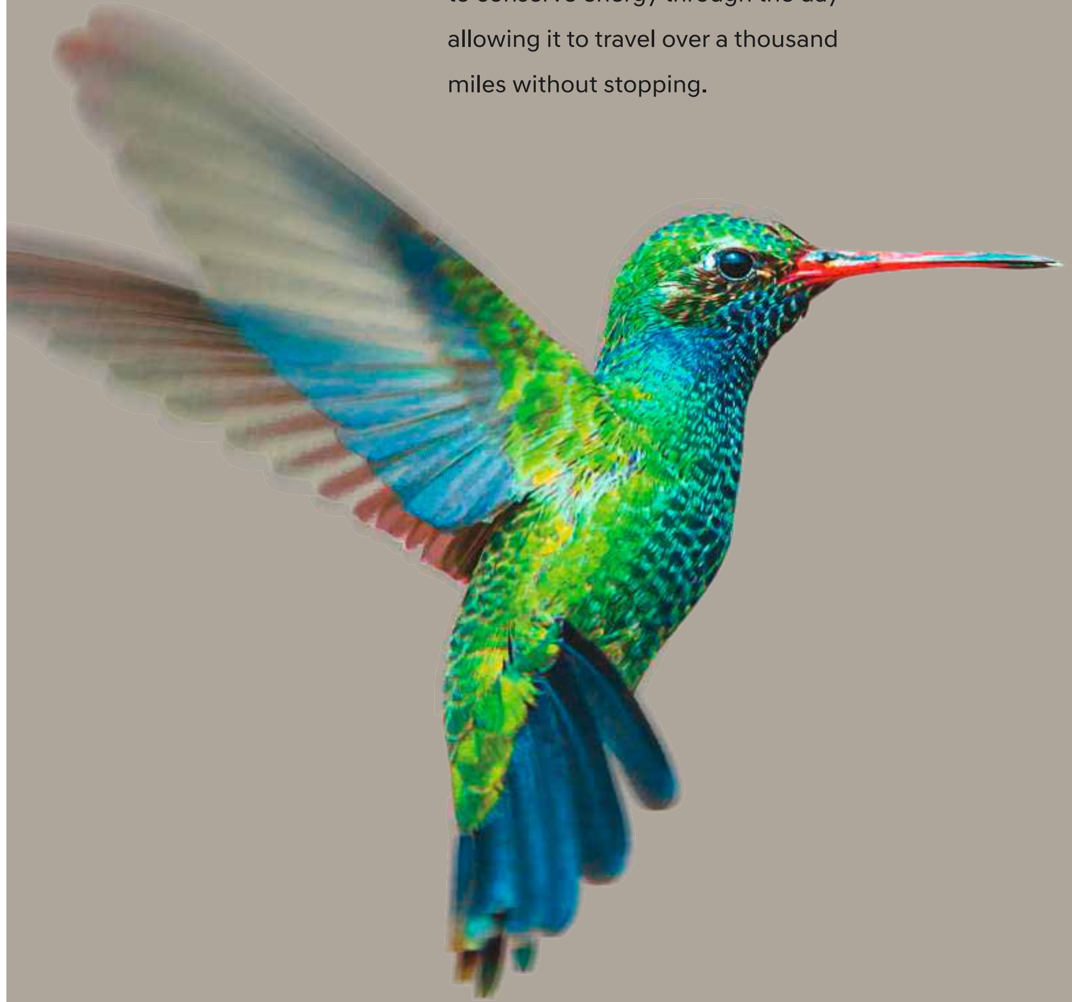

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UNDER CONSTRUCTION

FleetNews to undergo content and structural transformation

Next year, Fleet News will undergo arguably the biggest change in its 40 -year history

By Stephen Briers

In line with the transformation taking place across the fleet sector, with new regulations, new technology and a host of new pressures on the way businesses move their people, goods and services around, next year *Fleet News* will be undertaking its own transformation with a complete overhaul of content in print, on the website and in its newsletters.

Fleet News has to evolve and adapt to the changing fleet landscape to be at the forefront of new developments and to remain the most influential and trusted media brand in the sector.

This will start in January as *Fleet News* moves to a new frequency of 15 issues a year (as a monthly magazine with three special themed editions at the busiest times of the year – March, September and November).

This will enable the market-leading fleet publication to delve much more deeply into the major issues of the day, providing greater clarity, insight and analysis for the organisations responsible for keeping British business moving.

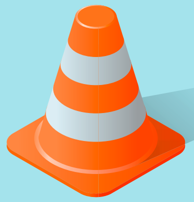
In addition to news analysis, thought-provoking opinion pieces and detailed interviews with fleet decision-makers, manufacturers and key suppliers, *Fleet News* will divide its content into two key areas.

Strategy Insight

This section will focus on tomorrow – the technology, policies, regulations and trends that will influence the way companies move people, goods and services around.

Strategy Insight will also enable us to engage with a wider decision-making unit, such as finance directors, procurement directors, HR directors, operations directors and mobility managers who are increasingly involved in deciding policy about company cars, vans and trucks.

Topics will range from last mile distribution solutions to clean air zone regulations, and from mobility as a service and vehicle usership apps to autonomous, connected and electric vehicles.



Operations Insight

This section will focus on today's fleet, offering best practice guidance, features, benchmarking and skills insight to enable the fleet decision-maker to run an efficient and effective fleet of vehicles.

Drawing on its vast pool of knowledgeable fleet and industry experts, *Fleet News* will uncover solutions to operational issues, share information on cost-saving initiatives and draw attention to the best ways to improve safety and address environmental concerns.

The other significant change to the brand portfolio from January will be the integration of *Commercial Fleet* into *Fleet News*. This decision has been taken because, increasingly, the topics relevant to fleet are relevant no matter whether the business operates cars, vans or trucks – and many are running all three.

Fleet News will introduce a dedicated *Commercial Fleet* section in the magazine and retain the *Commercial Fleet* website to give a home to the issues of greatest importance to van and truck operators, such as compliance and legislation.

However, content throughout the new *Fleet News* magazine, including fleet profiles, technology and new mobility services, will be relevant to all fleets, including those running trucks.

The Commercial Fleet Awards, which recognises and honours fleets, manufacturers and suppliers in the van and truck sector, will also continue in the current format.

Website enhancements

In addition to the changes to the print magazine, *Fleet News* will be looking to increase engagement in its digital products and services with greater insight into our news articles, improved newsletters and new fleet management tools.

Digital channels enable *Fleet News* to keep users up to speed with the latest developments, whereas print enables it to add analysis, context and insight into the key stories. This will continue to be a priority for the new publication.

The new *Fleet News* will focus on providing the broader best practice and strategic guidance to enable decision-makers to prepare for the complexities of modern day fleet management.

Fleets support the *Fleet News* transformation

Fleet News has discussed its plans with a number of fleets before introducing these changes. Below is what some of them said.

EDITOR'S COMMENT

Stephen Briers, editor-in-chief

Throughout our 40-year history, we have never rested on our laurels. It is the central pillar of *Fleet News* to not only continually adapt to the times, but to take a market leadership position and be the instigator of change, sharing our knowledge and insight across the sector.

This sector is changing with increasing pressures from urban transport regulators looking to reduce congestion and improve safety by removing vehicles from the roads. We also see more people taking cash but still requiring access to transport, whether that is through usership of a car or other options. And we see myriad companies introducing what they claim are solutions for first and last mile distribution.

Part of our approach will be to challenge and debunk some of these claims, something that is only possible due to our relationships with policy-setters in Government and within local authorities. They set the direction and we will clarify how this affects businesses who need to move people, goods and service around.

However, a lot of this is strategic thinking for the future. We also recognise that most companies are mainly concerned with what is happening today – how can they reduce cost, improve safety, address environmental concerns and improve the well-being of drivers, for example. So a large part of *Fleet News* will remain dedicated to these topics.

The Fleet News pledge to you is to ensure we continue to be your trusted source of impartial, insightful and essential fleet knowledge – for today and for tomorrow.

NEW MOVES STRIKE THE RIGHT NOTE

"I support this move (merging *Fleet News* and *Commercial Fleet*) wholeheartedly. While it's been nice to have two publications with their respective areas of expertise, the luxury of time to read them is rapidly reducing so I see this as a natural evolution as well as an efficiency. As an operator of a mixed fleet, it suits me perfectly."

Stewart Lightbody, head of fleet, Anglian Water

"This is a good move; 15 editions a year supported by the usual 'push' notifications on breaking news is a perfect format. Fleet today is becoming more complex year after year. Everything either seems to be changing or is being questioned about its relevance in today's world. It's gone way beyond the remit of yesteryear and now anyone in any role looking after their company fleet – big or small – will be exposed to far higher levels of change from manufacturers, to governments to employees and their mobility options.

"It's all changing more quickly. That's why *Fleet News* in all its formats is vital for me to keep up-to-date with this change, through the email daily news links to the more in-depth printed magazine to read away from my screen. The website and print mix allows me to digest the most relevant and up-to-date content when I need it."

David Oliver, procurement manager, Red Bull

"This is a great idea – less frequent and merging the two – giving greater ability to cover the wider angle of issues encountered by mixed fleets complimented by focused articles for each vehicle type. It makes a lot of sense. There are so many topics that impact both – either in equal measure and/or in similar ways – and it's entirely appropriate to address all the issues in a single article which adds to the value as we should all be looking at 'fleet' in wider context now. There are plenty of overlapping issues which have consequences for all areas of fleet."

Caroline Sandall, ACFO vice-chairman

"The newsletter and website articles are great for frequent updates about the latest fleet information, but we still need a magazine because it provides in-depth and informative articles that we can share with other stakeholders within the business. It was sometimes hard to keep up with the publication when it was fortnightly, so changing to monthly will give us the high quality features and articles we need with more time to read them. Moving *Commercial Fleet* into *Fleet News* makes sense because fleet management is so much more cross-functional regarding the big issues, so the solutions are more cross-functional – for cars, vans and trucks, but also within the business, with HR, finance and procurement."

Lorna McAtear, head of supply and internal accounts, Royal Mail

Supply shortages due to WLTP lead to 20% slump in September

Some carmakers miss new fuel test deadline, while others reconsider UK volumes as profitability falls

By Matt de Prez

Car manufacturers suffered a 20.5% decline in new registrations last month as challenges surrounding the implementation of newly-introduced WLTP emissions standards meant they simply had no cars to sell.

Lead times have been an issue for certain manufacturers since March, as they struggled to re-homologate their model ranges in time for the September 1 deadline.

Fleet operators have been especially affected as leased vehicles reached their end of contract date but replacements were not available.

According to a recent *Fleet News* poll, 89% of fleet decision-makers felt lead times had not improved since the WLTP deadline.

Vehicles that failed to meet the new standards by September could not be registered, and production lines had to adapt to produce modified or new engines in order to comply.

Some model variants were ditched altogether, such as the BMW 520d Efficient Dynamics, while others were taken off sale temporarily like the Volkswagen Golf GTE.

September is a plate-change month – one of the busiest times of the year– but 87,000 fewer cars were registered than in 2017.

Fleet registrations were even lower, with a 22.4% decline.

Worst affected were Volkswagen (down 55%), Audi (down 53%) and Nissan (down 41%). VW Group brands Seat and Škoda also suffered, with falls of 36% and 31% respectively.

However, reductions in registrations elsewhere were not necessarily due to WLTP, according to one experienced manufacturer boss.

Tony Whitehorn, managing director at Hyundai, described the market as looking "fragile for the full year", but said some manufacturers were "hiding behind WLTP".

He believes the market is poised for major structural reform as the levels of profitability from selling cars in the UK falls.

"Historically, we (the motor industry) over-cooked it and at last people aren't making enough money," Whitehorn said.

Previous registrations slumps have been cyclical, he added. "If the pound versus the euro stays where it is, this time it's structural."

Manufacturers will target the least profitable areas, primarily rental vehicles and brokers deals which "will please leasing companies", Whitehorn said. "Rental will be first to go because it's the most expensive and that will have some residual value benefit."

Quarter three rental figures show a 15% fall in volume, the third consecutive quarter of year-on-year decline, compared to private (down 11%) and leasing (down 10%).

Hyundai, itself, has reduced rental volumes by more than 20% in Q3, although its total sales are down by just 1.8%. Meanwhile, Ford cut more than 4,000 cars from rental, a fall of 59%, and Nissan took out 5,500 (down 86%), which accounted for a large wedge of its near-16,700 Q3 drop in registrations.

Mike Hawes, Society of Motor Manufacturers and Traders (SMMT) chief executive, tried to put a brave face on the situation.

"With the industry given barely a year to reapprove the entire European model line-up, it's no surprise that we've seen bottlenecks and a squeeze on supply," he said.

"These are exceptional circumstances with similar declines seen in other major European markets. The good news is that, as backlogs ease, consumers and businesses can look forward to a raft of exciting high-tech cars and a market keen to recover lost momentum."

"Consumers and businesses can look forward to a raft of exciting high-tech cars"

Mike Hawes, SMMT

New registrations were down by a fifth compared with last year and fleet was down 22.4%

Hardest hit

Volkswagen was the hardest hit in September, as many of its best-selling cars have yet to be approved under the new test regime.

One fleet manager told *Fleet News* they were quoted a 40-week lead time for a new Volkswagen, while another is now considering alternative brands due to long lead times.

The brand's registrations were 55% down. In fleet, it suffered a 72% decline, with key models such as the Golf and Passat down 80%.

Volkswagen board member for sales Jürgen Stackmann said: "Developments in September were a setback, but we had been expecting this following the records in the summer. October will also be affected by the changeover to the WLTP test procedure."

The manufacturer says it now has approval for "high-volume variants of all 14 Volkswagen brand models" and expects the changeover to be "virtually completed" by the end of the year.

"From November, we will be ready for the end-of-the-year sprint in Europe," added Stackmann.

Discontinued variants

Audi suffered a similar decline, down 53% overall and 74% in fleet. The carmaker is planning a number of changes to its model line up.

In a statement it said: "Some engine/transmission variants with low demand will be discontinued and will not be replaced. In many cases, similar variants will remain available to our customers. For example, variants with a manual gearbox may be discontinued although the same engine may continue to be available with a dual-clutch gearbox. As soon as one of the variants which is affected has sold out, no further orders for that variant will be taken in the system."

Audi's premium brand rivals Mercedes-Benz and Volvo were among the first manufacturers to re-homologate their model ranges. While Mercedes lost a number of derivatives, most noticeably its plug-in hybrid C and E-Class through model refreshes, both managed to record increased fleet sales in September.

Colin Thompson, senior pricing manager at Lex Autolease, said: "We saw the number of quotable vehicle derivatives drop by more than a third between March and August. We are now seeing a recovery as more vehicles achieve WLTP-certification, but we do expect choice to be limited in the long term.

"For drivers, there is a degree of confusion because some models have been withdrawn from sale – either permanently, or while its WLTP emissions figure is pending. Some are prepared to wait, others are choosing an alternative, more readily-available model, where they can be more confident about its longer-term tax position."

Quotable vehicle numbers start to rise

Zenith removed all non-compliant vehicles from its quoting platform in July to maintain transparency for customers. Now, the company says it has seen a growth in the number of quotable vehicles.

"The number of quotable cars available on our systems continues to increase as each manufacturer releases data on new models," said Ian Hughes, managing director of Zenith.

"We have seen an increase of 20% in the number of vehicles available for quoting since August, but there is still a way to go."

For some fleets, lead times aren't an issue because many companies are simply not ordering cars for a variety of reasons linked to WLTP.

Suzanne Phillips, national fleet consultant at Hitachi Capital Vehicle Solutions, said: "People are deciding to hold fire for six months, either using mini leases or six-month extensions, even 12-month extensions, to buy some time."

Most of the uncertainty is related to how benefit-in-kind (BIK) tax bands will be adapted to suit the higher CO_2 emissions of cars under the new test.

Drivers are also unhappy with the lack of availability, either due to homologation or emission figure increases taking vehicles out of policy.

No rate book; reworked TCO structure

David Fisher, fleet manager at Rexel, said: "Due to manufacturers not fully releasing their figures we are unable to run a rate book. This, coupled with the looming changes to BIK being announced in the Budget, means we will need to completely rework our TCO-based structure."

He doesn't expect to be in a position to place orders until next year.

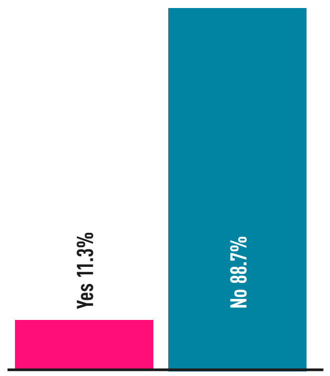
As a result, rental companies are seeing an increase in fleet business.

Adrian Bewley, assistant vice president of business mobility at Enterprise Rent-A-Car, said: "Demand for rental is definitely increasing as organisations look for alternative options to support their company car fleets. Companies are looking for a short-term solution that gives them flexibility and keeps employees on the road."

FLEET FACTS AND FIGURES

OPINION POLL

Since September, have you seen any improvement in lead times for cars?



FleetNews view:

The results of our poll clearly show that the fleet industry has been suffering with longer lead times. The issue – as explained opposite – has been the ability of manufacturers to get cars tested under the new emissions regime. Fleet decision-makers have been forced to extend the contracts of existing vehicles faced with supply constraints. However, demand has also stalled due to uncertainty over future company car tax rates.

This week's poll: Do you think the Government is right to scale back the plug-in car grant?
fleetnews.co.uk/polls

MOST COMMENTED ONLINE

A third of fleets have no plan in place to deal with clean air zones

fleetnews.co.uk/news

UK AVERAGE FUEL PRICES

Diesel (ppl) 133.23 ↑
Unleaded (ppl) 129.13 ↓

fleetnews.co.uk/costs/fuel-cost-calculator

Fleets welcome fuel duty freeze but the greens label it 'disastrous'

Treasury loses around £9bn per annum as freeze is extended to ninth year

By Gareth Roberts

The Government's decision to freeze fuel duty for another year is welcome news, but fleets still face mounting pump price pressure.

Prime Minister Theresa May announced at the Conservative party conference that fuel duty would be frozen for a ninth successive year (fleetnews.co.uk, October 3).

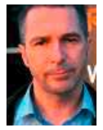
Had the fuel duty escalator continued as planned from 2011 onwards, fuel duty today would be 83.33 pence per litre (ppl) rather than 57.95ppl, 43.8% higher.

Ashley Barnett, head of consultancy at Lex Autolease, said: "The decision to maintain the freeze on fuel duty will be a welcome relief for UK businesses given rising prices at the pump and already-high vehicle running costs.

"While we support the Government's Road to Zero strategy, the choice of electric vehicles and the reach of the country's charging infrastructure are still improving, which means new diesel and petrol vehicles remain the most practical option for many drivers at present."

The Institute for Fiscal Studies think tank estimates the freeze on fuel duty, introduced in March 2011, has cost the Treasury about £9 billion a year. As it stands, it raises some £27bn for the Treasury annually, while it also receives income from VAT that is levied on both the duty and the underlying product price. Combined, VAT and duty currently account for about 60% of what drivers pay at the pumps.

An inflation-linked increase would have raised £800m extra for Treasury coffers next year, and billions more over subsequent years.



"Drivers are paying the highest prices at the pumps for four years"

Simon Williams, RAC

Claire Haigh, chief executive of Greener Journeys, labelled the freeze on fuel duty a "disastrous move" which will have a severe impact on air pollution and public health in the UK.

"Roadside air pollution is causing up to 50,000 early deaths a year (most estimates say 40,000) and we know that cars and vans are the primary cause," she said.

"We urgently need a shift away from car use and towards more sustainable public transport, but today's decision will do the opposite. We urge the Government to show leadership and make the right decision."

Chancellor Philip Hammond admitted that the freeze had come at a "significant cost to the exchequer, but the high oil price and the near-record pump price of petrol and diesel are also imposing a significant burden on motorists".

RAC fuel spokesperson Simon Williams said: "Drivers are paying the highest prices at the pumps for four years. While there is a silver lining in the form of no rise in fuel duty, darker clouds in the form of higher wholesale costs may well be passed on to drivers at the pumps imminently, so it would have been foolhardy for the Treasury to opt to punish drivers further."

Drivers are facing higher costs at the pumps as the price of oil and wholesale prices of fuel escalate. Brent crude is currently up at around $85 (about £65) per barrel, a level not seen since October 2014.

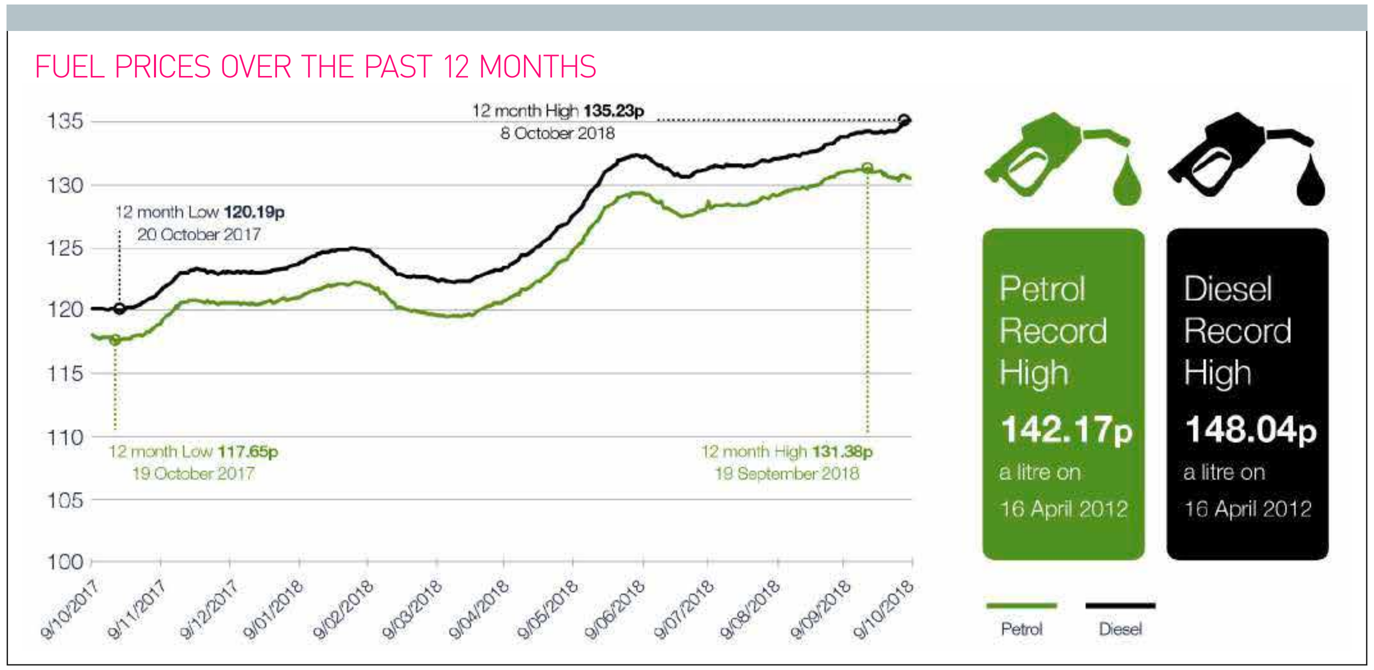
The average price of diesel was 134.1ppl and petrol 129.78ppl at the time of going to press. The record price for petrol was 142.2ppl and for diesel 148ppl, both reached in April 2012.

The weakness of sterling is also contributing to rising costs on UK forecourts.

Christopher Snelling, head of UK policy at the Freight Transport Association (FTA), said: "With fuel prices continuing to skyrocket – the price of diesel has increased by 13% in the last year alone – businesses are already tackling very challenging circumstances and a fuel duty rise would have constituted an unbearable burden."

However, Snelling wanted the Treasury to go even further. He explained: "The Government would serve UK PLC better by cutting fuel duty to jump start spending and boost economic activity. We'll continue campaigning for a reduction in rates and hope the Government heeds our advice for the next Budget."

■ Arval advises fleets to focus on fuel management, see page 21.



Outlander PHEVs will no longer qualify for grants under new ruling

Government is 'bonkers' to reduce plug-in car grant, says ACFO boss

Commitment to funding further 35,000 electric cars likely to last two-three years

By Gareth Roberts

The fleet industry has reacted with dismay after the Government cut the plug-in car grant and said it would no longer incentivise hybrid vehicles such as the Mitsubishi Outlander PHEV.

The new rules, which will take effect from November 12, will see funding for the cleanest cars fall from £4,500 to £3,500, and no longer apply to hybrid cars with a range of less than 70 zero emission miles.

The Department for Transport (DfT) also warned that it would be prepared to implement the new rate before November 12, if the news sparked a rush from buyers eager to qualify for the grant at current levels.

John Pryor, chairman of fleet representative body ACFO, said: "The Government's decision to reduce financial support for plug-in vehicles is, quite frankly, bonkers.

"Demand for plug-in vehicles is already extremely limited. Reducing support is likely to reduce demand further"

John Pryor, ACFO

"Demand for plug-in vehicles is already limited and the decision to reduce the amount of financial support available through the plug-in car grant is likely to reduce demand still further."

Up to the end of September, 11,270 pure EVs had been registered, compared with 11,127 in the first nine months of 2017 – a fall of 1.3%.

However, when taken together with other ultra-low emission vehicles (ULEVs), Government figures show that 40,410 cars qualified for the plug-in-car grant during the same period, a 23% year-on-year increase.

The Government says it will fund a further 35,000 cars under the new plug-in car grant regime – equivalent to £122.5 million. Based on current take-up of around 15,000 units per year, the threshold would expected to be reached by the end of 2020.

Fleet News, through its Fleet Budget Manifesto, had called for a long-term commitment to grants and, while some certainty is welcome, it fails to give fleets the incentives they wanted.

In all, just 19 cars will be eligible for the plug-in car grant, with 20 models no longer qualifying under the new rules, including the Toyota Prius plug-in and Mitsubishi Outlander PHEV.

Mitsubishi said it was "surprised and disappointed" by the decision. Rob Lindley, managing director at Mitsubishi Motors in the UK, told *Fleet News*: "The decision to suddenly end grant support for some of the greenest vehicles on the road is extremely disappointing."

However, as the segment leader for the past four years, Lindley said the company was "confident" fleets will still see the benefits of running the car compared to conventional petrol- and diesel-powered SUVs.

The DfT says the changes to funding were a sign of the plug-in grant's success.

The department also claimed that the 22% cut in grant value for the cleanest cars reflected the "recent reductions in the price of electric vehicles".

A Nissan Leaf had an on-the-road price of £28,990 in 2011, when the grant was introduced, while the latest version of the pure electric car costs £29,690 – a 2.4% increase.

However, taking inflation into account, the purchase price in 2011 would be £35,337 in today's money, so it could be argued it has fallen by 16%, although the key point is the differential with diesel which has not changed. Like-for-like, EVs are just as expensive when compared to a diesel equivalent – the plug-in grant was supposed to close the gap.

RAC head of roads policy Nicholas Lyes said the reduction in the grant was a "major blow to anyone hoping to go green with their next vehicle choice and makes little sense when we need to focus our efforts on lowering emissions".

To achieve the Government's ambition for at least half of new cars to be ULEVs (sub-50g/km CO_2) by 2030, registrations would have to rise 30% year-on-year for the next 12 years.

First introduced in 2011, the plug-in car grant (PICG) has provided a discount to the price of more than 160,000 new ULEVs.

Category 1 cars, with CO_2 emissions of less than 50g/km and a zero emission range of at least 70 miles, received 35% off the purchase price, up to a maximum of £4,500.

Meanwhile, category 2 cars, with CO_2 emissions of less than 50g/km and a zero emission range of 10-69 miles, and category 3 cars, with CO_2 emissions of 50-75g/km and a zero emission range of at least 20 miles, benefited up to a maximum of £2,500.

The plug-in van grant remains unchanged.

A complete ban on diesel is one of the measures Bristol has considered to improve its air quality

Banning diesel too soon will slow ability to develop replacements

If business drops as result of ditching diesel then money for research will fall too

By Matt de Prez

Banning diesel vehicles could be the easiest way for cities to achieve air quality compliance in the shortest time, but punishing the fuel too quickly could halt the development of alternatives.

There are 33 local authorities in the UK that are expected to reach illegal levels of air pollution by 2021. The Government has mandated them to conduct feasibility studies and establish how they will reduce pollution levels.

Clean Air Zones (CAZs) are among the possible solutions. They would restrict access to the city by charging, fining or banning non-compliant vehicles.

Speaking at the *Air Quality News* Air Quality Conference last week, Steve Crawshaw, programme coordinator at Bristol City Council, said: "In a way, a diesel ban is a more equitable solution than a charging zone, because the charge doesn't fall disproportionately on low income families. It inconveniences or penalises the wealthy in the same way as the less wealthy. It applies the sanction equally."

Crawshaw has worked in air quality management for more than 20 years and is currently part of the team responsible for Bristol's clean air strategy.

"It (a diesel ban) is one of the things we have considered. We have to be clear on what our constraints are – we have to deliver compliance in the shortest possible time and consider all the possible measures to achieve compliance," he said. "There are some fairly radical measures that would get us to compliance in the shortest possible time and a diesel ban is one of them."

But pulling the trigger on diesel so soon could have severe repercussions for the automotive industry. "Diesel is the bread and butter of the car industry," said Suki Choongh-Campbell, environmental manager for air quality and ULEVs at the Society of Motor Manufacturers and Traders (SMMT).

> *"There are some fairly radical measures that would get us to compliance in the shortest possible time"*
>
> Steve Crawshaw, Bristol City Council

"If we lose that and business drops drastically, there is no money to put into research and development for new and alternative technology. We are a self-financing industry, we don't take big grants."

There are currently around 13 million diesel cars on the road, with the fuel still accounting for 31.8% of new car registrations (2018 YTD).

Choongh-Campbell added: "The industry has spent a lot improving diesel technology. The message we send out is to pick the right technology for your journey and location. If you are driving around town then a diesel is not the right vehicle for you, but for someone doing lots of motorway miles a diesel is absolutely right."

In the commercial vehicle market almost all vehicles are diesel-powered and van operators could face significant challenges if diesel restrictions go ahead.

"Vans are a challenge for local authorities," said Crawshaw. "a lot of the time they are smaller operators with low profit margins. Trying to engage with them fully is difficult. We have to accept these smaller sole traders will pass the costs on, because there is not anything else they can do."

In Bristol, diesel vehicles account for 40% of nitrogen oxide (NOx) emissions across the city, so restricting them is necessary if the council is to achieve the legally mandated NOx limit by 2021.

Crawshaw said: "We need to charge because, although we have been successful in supporting people to switch to newer, more sustainable, modes of travel like cycling, we haven't been able to reduce A-road traffic. That is because if you take vehicles off the road, it frees up road space and more people find it easier to drive. We need to tackle that demand by imposing some form of fiscal restraint."

Bristol isn't one of the five cities originally mandated by Government to introduce a CAZ, but it is drawing up final plans for one and expects to present a full business case to the Government early next year.

Birmingham is the only city so far to submit its final plans for approval. The city is asking for £60 million to implement its CAZ, which will charge the most polluting cars, vans and trucks for entering any roads within the A4540 Middleway Ring Road from January 2020.

Leeds has also finalised its plans, ready for submission, outlining a zone in which lorries, buses and taxis will have to pay to enter if they fail to meet the latest emissions regulations.

London, Derby, Edinburgh, Glasgow, Southampton and Manchester are all expected to have restrictions in place in the next two years.

Widow claims delivery driver's fear of being fined led to his death

DPD sued over missed work charges which have since been scrapped

By Tom Seymour

Delivery company employment practices are once again under the microscope as a widow of a former DPD driver is suing the parcel delivery company after he failed to attend hospital appointments to avoid being charged £150 for missing work.

DPD has since scrapped the fees, introduced a new 'Driver Code' and offers self-employed drivers sick and holiday pay. But Don Lane's widow, Ruth, has lodged a claim at an employment tribunal in Bristol which alleges Lane was ill but went to work due to his fear of being fined for failing to attend work without permission.

In January this year, Lane completed his delivery route for DPD but later collapsed suffering from a heart attack and died shortly afterwards in hospital.

A ruling on the case is expected towards the end of this year.

A spokesman for DPD told *Fleet News* it was unable to comment on employment tribunal matters and whether the case had directly led to the introduction of new employment practices.

Philip Richardson, partner and head of employment law at Stephensons, has been advising fleet clients to review their employment contracts and policies in light of the high-profile tribunal cases related to the so-called gig economy*.

He said: "Tribunals will be careful to review the contracts companies have in place to ensure that what happens in reality is reflected in their terms and conditions.

"Companies can no longer bury their heads in the sand with these things and we have an obligation to make our clients aware of clear, financial consequences if they don't review contracts accordingly."

The employment tribunal heard that DPD had charged Lane £150 when he attended one specialist renal appointment and he then didn't go to follow-up appointments as a result. He had collapsed twice during his delivery rounds prior to his death, including once while at the wheel.

"Companies can no longer bury their heads in the sand with these things and we have an obligation to make our clients aware of clear, financial consequences if they don't review contracts accordingly"

Philip Richardson, partner and head of employment law at Stephensons

His widow's claim, filed by solicitors Leigh Day, said: "DPD's refusal to give permission for the claimant to take time off to attend these appointments meant his disability was not properly monitored and that he did not have the opportunity to receive the appropriate treatments for his disability and related conditions, ultimately resulting in his death."

DPD said its new Driver Code, which was rolled out in July this year, "aims to improve every aspect of our drivers' working relationship with the company, from the type of contract they choose to the van they drive".

The code offers all DPD drivers the equivalent of at least the Real Living Wage (£10.20 per hour inside London, £8.45 per hour outside the capital).

DPD's £150 fine system was replaced by a points-based 'Service Failure System' to monitor service delivery and contract performance. Drivers are briefed on the new system before they join and DPD says there is a 'full review' before any points are allocated.

To ensure that all its self-employed drivers receive at least the equivalent of the Real Living Wage, DPD is monitoring their earnings on a monthly basis. This process is independently audited.

DPD has also introduced three employment categories – employed driver, self-employed worker and self-employed franchisee and given drivers the choice to choose between them.

Existing drivers and new drivers have been able to apply for an 'Owner Driver Worker' contract from September 24.

All new DPD drivers can start as an employed driver before deciding if they wish to be a self-employed worker, a self-employed franchisee, or remain as an employee. Before becoming self-employed, they will have access to free, independent business advice from approved suppliers.

The initial application window will run until the end of this month (October 31). After this date, drivers will still have the option to switch at their contract anniversary each year.

The DPD spokesman said it was too early to comment on how its workforce contracts had shifted in light of the new categories.

Richardson said for smaller companies to introduce the same employment changes as DPD, it wouldn't take much time, but larger companies would likely involve lengthy consultation.

He said: "Changing employment contracts may involve amending or changing terms and seeking agreement on the same.

"The cost involved will also be dependent on the size and scale of the business and changes involved. However, that initial investment is likely to be far more beneficial than the consequence of not taking any action and litigation being taken against the company."

* The gig economy is a labour market characterised by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.

Early WLTP compliance has given Volvo a major boost in fleet sales

For past three or four months 'customers can just order', says business sales head

By Sarah Tooze

Volvo has sold to 644 new fleet customers this year as a result of restructuring its fleet team, changing perception of the brand and, arguably, being 'ahead of the game' with WLTP.

While Volvo head of business sales Steve Beattie acknowledges the Worldwide harmonised Light vehicle Test Procedure (WLTP) "hurt" from a CO_2 perspective, notably V40 (the D2 120 Momentum increased from 94g/km under the old test regime to an NEDC-correlated figure of 122g/km, for example) it has gained by being one of the first car manufacturers to complete testing.

"Two of our cars were WLTP (compliant) from January and the rest of the range was all WLTP by April," Beattie said. "Today there is no problem and for the past three or four months fleet customers can just order."

However, for hybrid models fleet customers can expect around a 16-week wait due to demand outstripping supply.

Volvo's true fleet sales ('fleet other' and 'leasing/contract hire') were up 3.12% as at the end of September (19,864 compared with 19,262) and new customers include major corporates such as Asda, Interserve and British Gas.

With the latter, Volvo was one of six manufacturers chosen and has been doing "extremely well" since being on the list, according to Beattie.

"In seven years' time the market will be in a different place to where we are today"

Steve Beattie, Volvo

Volvo V40 emissions figures have increased under new testing

Beattie joined Volvo from Vauxhall in September last year and one of his first moves was to divide the fleet sales team into a team of eight fleet sales managers and a national business sales manager, who target companies operating 50 cars or more, and a team of four regional business development mangers who work with Volvo dealers to target companies with five to 49 cars (see *Fleet News*, February 8).

Volvo has sold to 102 'large' (50-plus) fleets and 542 sub-50 fleets this year who haven't bought from Volvo for the past four years.

"I wanted to change the team to make sure we were talking to more people – and we are," Beattie said.

He is also ensuring the team has the 'right' conversations with customers and "add value".

"I want fleet managers to look in their diary and say 'oh, Volvo are coming in today, that's going to be well worthwhile'," he said.

Part of those conversations has been understanding where Volvo sits on the company car policy and making sure it has the right cars in the right grades.

Whereas previously Volvo might have only had the XC90 at director level now it has cars available in grades below, with XC40 being an important part of that.

Beattie believes Volvo's range of SUVs has "put it in a good position for what the market wants" and that brand perception is "much stronger".

He suggests announcements such as the 360c autonomous concept (see fleetnews.co.uk, September 6) and its electrification strategy (fleetnews.co.uk, July 5, 2017) have caught the interest of fleet operators and company car drivers.

Currently, all of Volvo's hybrids (XC60, XC90, S90 and V90) are at senior manager grades but that will change when V60, S60 and XC40 offer an electric option. Volvo has also announced it won't be investing in a new generation of diesel engines but Beattie stressed "diesel is by no means dead to us".

"Our current portfolio will continue and in seven years' time the market will be in a different place to where we are today and you have to plan for that," he said.

As for the short-term, Beattie is confident 2019 will be "fleet's year" for Volvo despite the current challenges the fleet market is facing.

"My confidence comes from the sales rate for the past six months of V60, XC40 and XC60," he said. "The sold order take is circa 9% up in end-user year-to-date and that's been driven by the new product coming towards the end of the year. The product is going to support us where we want to go next year."

He plans to make Volvo's demonstrator programme "more accessible" from a fleet perspective next year. "Our demo programme is very good. In the month of August we hit 81% utilisation, which we've never hit before, but we want to make it more accessible and easier to book a demo," Beattie said.

Volvo has also introduced a new customer relationship management (CRM) system.

"You're only as good as your CRM system and we've done a lot of work to get it to a level where it looks quite good, but there is still more work to do," Beattie said.

Used cars were brought in-house at the end of 2017, which has aided residual values and Volvo has been working with leasing companies and RV setters to give them "the right information".

"That was stage one of our strategy last year," Beattie said. "Stage two is to take it a step further. We need to get more data, work it, support it and send it back to the right people."

THE BIG PICTURE

By Stephen Briers, editor, *Fleet News*

The Government has made its first announcement ahead of the Budget on October 29 and it's not good news for those advocating the uptake of electric cars.

The plug-in grant for cars is to reduce by £1,000 because the Government believes the cost of electric vehicles has fallen so it no longer needs to offer as much support.

This sends out the wrong message and is short-sighted, especially coming on the back of the Government's Road to Zero strategy. First, the price of electric cars has not fallen – certainly the differential with diesel is little changed and this is the gap the plug-in grant is supposed to close.

"Disappointing, but hopefully not a sign of things to come in the Budget"

Most experts believe there will not be price parity until 2025. So, reducing the grant to £3,500 is very disappointing.

Perversely, a separate fund has been set up that will contribute up to 20% (£5,000 maximum) for e-cargo bikes, which typically cost around £3,000!

The grant will now only be for pure electric cars (plug-in hybrids are now excluded) and only for the next 35,000 EVs.

The PHEV move is a reaction to a perception that drivers are choosing plug-ins for the tax benefit and not charging them, instead running around on the inefficient combustion engine.

However, used correctly – as many are – they are a greener solution, so the decision to bar them from the grant is nonsensical.

Additionally, with annual sales of electric cars at around 15,000, the grant is likely to last only for the next couple of years.

It doesn't give the long-term commitment the fleet sector is crying out for.

So, a policy full of holes, but hopefully not a sign of things to come in the Budget.

The Government says it is listening to fleets; we now need to see the evidence on October 29.

YOUR LETTERS

AIR QUALITY

Fleets need clarity over possible clean air zones

EDITOR'S PICK

Henry Thomas wrote:
Having read 'Air pollution in UK towns and cities is worse than previously feared' (fleetnews.co.uk, October 8), this just again highlights the need for clarity over where and when clean air zones may have to be introduced and what charges fleets could face.

At the moment, apart from London's ultra-low emission zone, we know the 'preferred' options of those councils initially identified with the worst pollution problems, and those councils where there is a political preference for a clean air zone. But this suggests more could follow, impacting fleet operators the length and breadth of the country.

Fleet decision-makers need time to plan and Government leadership, not this drip feed of information and disjointed environmental policy.

■ The editor's pick in each issue wins a £20 John Lewis voucher.

VEHICLE REGISTRATIONS

WLTP and tax uncertainty behind fleet sales dip

Matt Cha wrote:
Having read 'Fleet uptake of new cars declines by 22.4% in WLTP backlash' (fleetnews.co.uk, October 4), these figures are not surprising considering the uncertainty over future company car taxation rates.

The industry will be hoping for some good news from the Chancellor in the Budget. But it is also right that vehicle availability has been badly hit because of the introduction of WLTP.

The EU has given no consideration to consumers in the introduction of these new rules, ambivalent to the fact manufacturers were struggling to get cars tested, while the manufacturers were not prepared to put their heads above the parapet and complain about the new emissions testing regime, because of why it was introduced.

Let's hope both the Chancellor and carmakers can help sort this situation out sooner rather than later.

VEHICLE FUNDING

Leasing firms share fleet frustration

Rob Chisholm, Applewood Vehicle Finance, wrote:
Having read 'Leasing companies are taking advantage of WLTP confusion' (fleetnews.co.uk, September 28), I'd suggest there is unlikely to be wholesale doctoring of the rates.

Dealing with the larger leasing companies invariably means going through an administrator, some of whom may not be as experienced as one might hope (not their fault).

Dealing with a smaller leasing broker you would usually be dealing with an experienced individual.

What has been happening over the summer is confusion or realignment of pricing structures, whether that be discounts or volume-related bonuses (VRBs)/leasing support.

At times some of these have read as zero. If the individual doesn't notice or understand what is actually happening they are likely to produce an erroneous quote, which could, of course, turn into a rental.

An experienced individual will notice and will take some sort of action whether that be amending the quote or suggesting an alternative.

These past few months have been a frustrating time for most of us.

ROAD SAFETY

Sleep test inconclusive

Pete Austin wrote:
Having read 'Blood test for drowsy driving developed' (fleetnews.co.uk, September 25), it says it comes with 92% accuracy. If these 8% errors are false positives, mistakenly identifying well-rested individuals as sleep-deprived, this research would be a big problem.

For every 100 tests, eight people get fined.

VEHICLE EMISSIONS

AdBlue ignorance not that widespread

Sage and Onion wrote:
Having read 'Diesel drivers don't understand AdBlue' (fleetnews.co.uk, September 28), cars that require AdBlue have a countdown showing the range left before the AdBlue tank needs to be refilled, and when the tank range is only about 8,000 miles or so; I doubt drivers of such cars are unaware of AdBlue.

Furthermore, a few drivers have been affected by faulty AdBlue sensors that flash up warnings or put the car into limp mode. So, again, they are aware.

Drivers who have been warned so much that their vehicle requires AdBlue they then use their fuel card to go to an AdBlue pump and fill up the diesel tank.

VEHICLE SECURITY

Old security methods will help

J Stewarts wrote:
Having read 'Tracker's league table of stolen cars reveals Manchester-based car theft on the rise' (fleetnews.co.uk, May 24), a key method used by criminals to steal high-end vehicles involves blocking the signal from a key fob when the owner attempts to remotely lock the car, leaving the car unlocked.

A thief approaches later and downloads the car's electronic security codes on to a blank key. This only takes a few seconds. The easiest ways to restrict the opportunity for thieves is to either lock the car by using the fob at close range and then physically checking the door or, if the car is fully keyless, to press the locking point on the door handle instead of using the fob. Finally, the old methods of steering wheel locks and putting cars in garages or behind locked gates should be a good deterrent.

HAVE YOUR SAY Email: fleetnews@bauermedia.co.uk Comment online: fleetnews.co.uk LinkedIn: UK fleet managers group Twitter: twitter.com/_FleetNews

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Burning question:
What trend are you most tired of?

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The ridiculous lengths companies are going to in a bid to make coffee more exciting – and the resultant crazy prices
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FLEET OPINION

FUEL MANAGEMENT

Fuel cards can steer through turbulence

By Jon Friedenthal

If the headlines are to be believed, we are about to enter a period of fuel price volatility, with predictions of both rising oil prices pushing up pump prices and a supermarket fuel price war.

In times such as these – indeed, at any time – our view is that fleet decision-makers should not be distracted from fundamental fuel management policies.

Effective fuel management should not really depend on pump prices because they only have a surprisingly small part to play in minimising fuel spend. In fact, by adopting the right policies, it is often possible to almost neutralise any rises in petrol and diesel prices while maximising the advantages when they fall.

The fundamentals of fuel management depend more on factors such as ensuring you are selecting vehicles that deliver good fuel economy, that they are being driven in a way that preserves fuel use, and they are kept in a condition that enables them to maintain efficiency.

However, the single most important step in any fuel policy is to take control of fuel spend while gathering high quality data about fuel economy – and by far the easiest and best way to do this is through a fuel card.

With the information provided, you will be able to identify which vehicles and drivers are performing well and which are not, allowing you to take action where needed.

Some fleets take a proactive approach using their fuel card, utilising their data and monitoring the performance of drivers against the manufacturer's claimed consumption figures.

Taking this approach allows them to provide guidance to those performing outside of an acceptable range and shows drivers this important cost is being thoroughly monitored.

And, when it does come to pump prices, a fuel card will allow you to potentially guide drivers towards cheaper fuel sites and take advantage of lower pump prices when they occur. That means you can concentrate your spending at outlets that you know to be cheaper or at which you have some kind of discount or rebate scheme in place.

By following these steps, you will ensure that you are doing everything to minimise your fuel spend.

"The single most important step in any fuel policy is to take control of fuel spend"

Jon Friedenthal,
Fleet consultant, Arval

Patrick Gallagher,
CEO of CitySprint Group

For more fleet opinion from the industry, visit fleetnews.co.uk/opinion

AIR QUALITY

Data helps green policies to improve

By Patrick Gallagher

The Department for Environment, Food and Rural Affairs (Defra) recently stated that while the Government has a role to play in tackling emissions, it "cannot act alone". This is undoubtedly true, but it draws attention away from those who are most responsible for ensuring that businesses – and individuals – have the information and infrastructure needed in order to play their part in reducing air pollution.

I was pleased to hear that Government is beginning to consider steps to tackle such issues, with the publication of the Road to Zero strategy in July. Additionally, through the Clean Growth Strategy, it has committed to cutting carbon emissions – promising an investment of nearly £1.5 billion to accelerate the rollout of low emission vehicles by 2020.

Given the nature of our business, the logistics industry has an active role to play in lowering emissions to create an environment fit for the future.

Fleet managers must take a longer-term view of how they operate in urban areas and invest in a selection of vehicles that use different fuels, from pushbikes and cargo bikes to electric and hydrogen vans. But, while the adoption of hydrogen and electric vehicles will play a significant role in reducing emissions, one of the biggest barriers is the infrastructure to support these vehicles.

In addition to creating a green fleet, businesses must also take a more critical look at their operations. For example, to help adapt for a more sustainable future, we've been working with engineering students from the University of Southampton to identify ways to improve our green policies.

By giving them full access to our anonymised operational delivery data in London, they have identified some key trends which will help us make positive changes. These changes have the potential to save up to 200kg of CO_2 per day across the network.

While I welcome recent Government announcements, and the impact these will have on driving the industry to reduce emissions, I believe the Government and Transport for London need to do more to support businesses and remove barriers to sustainability.

"One of biggest barriers is the infrastructure to support these (hydrogen and electric) vehicles"

MAKE MPs AWARE OF WHAT THE BUDGET NEEDS TO SAY

Fleet News provides templates for you and your company car drivers to lobby your local MPs

By Stephen Briers

As we move into the final few days before the Budget on October 29, *Fleet News* has made its final play by uploading template letters employers and employees can send to their local MPs outlining their concerns about company car taxation and the affect it is having either personally or on their businesses.

The letters, courtesy of BVRLA, are available via this link – fleetnews.co.uk/mp-letters – which also includes a link to the Parliament website to find out the details of local MPs.

Here's an excerpt from the letter for fleet decision-makers: "We are concerned the company car tax regime is increasingly burdensome for employees. Our employees are facing a significant increase in tax for using a company car, many of whom are now considering alternative options. The regime is disincentivising employees from using a company car meaning the sustainability of this tax revenue – from the Treasury's perspective – is under threat."

Meanwhile, the letter from drivers points out: "If I continue driving a company car, I'm concerned I'll now be penalised because of the move to WLTP which will be used for tax purposes from April 2020."

The Government has already announced one policy, ahead of the Budget, on ultra-low emission incentives (action point 4). It has decided to scrap the incentive for plug-in hybrids to focus all funds on pure electric cars (news, page 11).

Disappointingly, the grant has been reduced from £4,500 to £3,500. And the commitment is restricted to funding another 35,000 cars.

This year, around 15,000 pure electric cars will be sold, suggesting this pot of money will only last at most for two-to-three years.

The Government announcement falls short of the fleet sector's call for a long-term commitment to EV grants to offset the higher price of these cars. Experts forecast that there will not be price parity with diesel until 2025 (see Big Picture, page 18).

Fleet News has submitted its representation on behalf of the fleet sector to HM Treasury, while the number of signatories to the Fleet Budget Manifesto campaign has soared past 300 and include fleet decision-makers, leasing companies, manufacturers, suppliers and company car drivers.

You can still add your voice to the campaign by signing up here: fleetnews.co.uk/fbm2018

Treasury representatives have told *Fleet News* that they are sympathetic to the manifesto position and that the Government is taking the issue of company car taxation and BIK tax seriously.

However, there are growing concerns that ministers are so consumed by Brexit negotiations they are devoting little time to other policies. In addition, a lack of clarity over full WLTP figures – with a number of manufacturers yet to release their data – might convince ministers to hold off any realignment of BIK until next year.

Another fear is that the lack of availability of electric vehicles, with some models extending to six or nine month delivery times, might dissuade the Chancellor from bringing forward the 2% BIK threshold for zero emission cars. If you can't get the product, why introduce needless changes, is the thought process.

However, models are available to order now while clarity and a firm announcement on direction of travel and Government intentions on company car tax will give drivers the confidence to make the right choices and help companies to set the right policies.

John Pryor, chairman of fleet association ACFO and fleet and travel manager at Arcadia, reiterated the Fleet Budget Manifesto's call for clarity on BIK taxation.

"Fleets and suppliers are in limbo until they know what the taxable position will be," he said. "We would like more – but please at least give us this so we can plan and replace old vehicles."

ACFO vice chairman Caroline Sandall added: "We need to have long-term clarity to settle all the uncertainty. We would like to see a smoothing of the BIK table (no cliff edges), protect the plug-in grants for electric and hybrid cars, particularly for the sub-£50,000 vehicles, and we need to understand the Government's plan for at least three-five years."

FLEET BUDGET MANIFESTO

6 ACTION POINTS

1. **Realignment of benefit-in-kind tax tables to take into consideration CO_2 emissions under WLTP; there should not be any distortion caused by the transition and use of correlated NEDC figures for tax purposes.**
2. **Reconsider the 4% diesel supplement.**
3. **Bring forward the 2% BIK incentive for ULEVs from April 2020 to 2019.**
4. **Raise ULEV incentives through a long-term commitment to plug-in grants.**
5. **Commit to a longer-term view of BIK – five years.**
6. **Begin consultation about future and alternative company car taxation policies.**

You and your drivers can give your support to the Fleet Budget Manifesto by signing our online petition at fleetnews.co.uk/fbm2018

FleetNews AWARDS 2019

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AWARDS 2019 TIMELINE

- OCTOBER 19 2018 — **Shortlisted fleets notified; second stage of online entry process opens**
- NOVEMBER 16 2018 — **Entry deadline for all categories (no extensions given)**
- DECEMBER 3 2018 — **Initial shortlist drawn up for manufacturer judging**
- MID-DECEMBER 2018 — **Entries to judges**
- JANUARY 23-24 2019 — **Judging day for manufacturer and supplier awards**
- JANUARY 30-31 2019 — **Fleet manager interviews take place**
- MID-FEBRUARY 2019 — **Shortlist revealed**
- MARCH 20 2019 — **Winners revealed at Fleet News Awards ceremony**

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FLEET NEWS AWARDS RECOGNISES AND HONOURS THE BEST

Winning an award can have a positive effect on a business and improve winner's career prospects

Royal Mail fleet director Paul Gatti describes the Fleet News Awards as the industry's "most prestigious" and says it is a "fantastic opportunity for fleet operators to be recognised for excellence among peers".

Meanwhile, David Fisher, fleet manager at most improved fleet of the year Rexel, says being shortlisted "is an achievement in itself" but that winning "brings an amazing feeling to yourself and to your team, boosting morale and helping to keep performance at its highest within your department".

You, too, can experience the joy of being a finalist, with the anticipation of taking the top prize at the black-tie awards dinner on March 20 at the Grosvenor Hotel.

All fleet finalists are invited as our guest, with hotel accommodation included, and you'll get to network with 1,500 of your peers and supplier/manufacturer partners. Many of our guests refer to it as being the best evening of the year.

> **"THE ENTRY PROCESS IS SIMPLE AND YOU'LL TAKE GREAT PRIDE SEEING YOUR WINNER'S TROPHY"**
> *Paul Gatti, director at Royal Mail Fleet*
> *Fleet of the Year 1,001-plus vehicles*

The process to enter is easier than you might think. Initially, fleets need only supply 750 words on why they should be shortlisted (see timeline above). We'll contact successful fleets to confirm their place as a finalist and then they complete the full entry form. Of course, any fleet can go straight to filling in the form, should they choose.

"The entry process is simple and you'll take great pride seeing your winner's trophy," says Gatti.

Numerous studies show the positive effects winning industry awards can have on a business and its employees.

Fisher points out that fleet managers and their staff do not tend to receive much recognition, which "at times can be demoralising".

He adds: "This is why these awards are the best way to showcase your achievements. The awards will give you a platform to highlight the improvements you have made to your peers, colleagues and other businesses which will improve your team morale and can also help advance your career, either with your current business or elsewhere."

So, what do you have to lose? Nothing – it's all positive gains from entering the Fleet News Awards, particularly as we commit to give you feedback to help you in the future.

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THE CATEGORIES

FLEET AWARDS

Fleet of the Year – up to 1,000 vehicles
2018 winner: Freedom Group of Companies
Sponsored by Reflex

Fleet of the Year – 1,001-plus vehicles
2018 winner: Royal Mail
Sponsored by Zenith

Most Improved Fleet
2018 winner: Rexel UK

Safe Fleet Award
2018 winner: Skanska UK

Ultra-low Emission Fleet
2018 winner (Eco Fleet Award): Farmdrop
Sponsored by BMW (UK)

Travel and Mobility Initiative – NEW FOR 2018

MANUFACTURER AWARDS

Best Small Car
2018 winner: Ford Fiesta

Best Lower Medium Car
2018 winner: Volkswagen Golf

Best Upper Medium Car
2018 winner: Škoda Superb

Best Compact SUV
2018 winner: Volkswagen T-Roc

Best Mid-size SUV
2018 winner: Škoda Karoq

Best People Carrier
2018 winner: Ford S-Max

Best Compact Premium Car
2018 winner: Audi A3

Best Premium Car
2018 winner: Audi A4

Best Executive Car
2018 winner: BMW 5 Series

Best Zero Emission Car
2018 winner: BMW i3

Green Fleet Manufacturer
2018 winner: Toyota (GB)

Most Improved Fleet Manufacturer
2018 winner: Seat UK

SUPPLIER AWARDS

Leasing Company – up to 20,000 vehicles
2018 winner: Marshall Leasing

Leasing Company – more than 20,000 vehicles
2018 winner: Alphabet (GB)

Rental Company of the Year
2018 winner: Enterprise Rent-A-Car
Sponsored by Interactive Fleet Management

Customer Service Award
2018 winner: FMG

Fleet Dealer of the Year
2018 winner: TrustFord

HEADLINE AWARDS

Fleet Manager of the Year
2018 winner: Julie Madoui

Fleet Supplier of the year
2018 winner: The AA
Sponsored by Hyundai Motor UK

New Company Car of the Year
2018 winner: BMW 5 Series
Sponsored by Halfords Autocentres

Fleet Manufacturer of the Year
2018 winner: Mercedes-Benz Cars UK
Sponsored by KeeResources

Fleet Champion of the Year – NEW FOR 2018

Fleet News Hall of Fame
2018 winners: Phil Clifford/Maurice Elford

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'SUPPLIERS DO... WE MANAGE'

British Gas relies on its collaborative partnerships with suppliers to run an effective and efficient fleet, says Steve Winter. Report by *Stephen Briers*

The adage 'big shoes to fill' has never rung as true as when applied to the British Gas fleet.

Colin Marriott ran the Centrica-owned-operation for 26 years, putting an indelible stamp on processes and strategy, with numerous industry-leading initiatives to improve safety and efficiencies. Where he led, others followed. For services to fleet, Marriott was inducted into the Fleet News Hall of Fame in 2017.

Big shoes, indeed. However, any suggestion that it's job done and the fleet can now glide along on a conveyor belt of best practice and water-tight policies is dispelled within moments of meeting the new man in charge.

Steve Winter was brought into the business four years ago as part of Marriott's succession plan, taking the head of fleet position when the latter retired two years ago.

Winter has extensive knowledge of fleet, starting his career at the coalface as a patrolman with The AA. After 20 years with the breakdown company, culminating as repair improvement manager, he joined Hitachi Capital Commercial Vehicle Solutions in 2007 as a fleet engineer. His key account? British Gas.

"I moved to Hitachi because I was more interested in fleet management than the breakdown business – it was one of my better decisions," Winter says.

"It was fulfilling, looking after British Gas and working with Colin offered lots of opportunity to look at innovation. That's what I'm most keen on."

Winter applauds the work of his predecessor – "he left the fleet in really good shape" – but believes there are plenty of areas where he can continue to drive efficiencies and savings. In addition, new regulations, technology and social responsibilities mean the fleet has to continually evolve and adapt.

One of his first decisions was to issue the tender document for British Gas's leasing partner as its five-year agreement with Hitachi was coming to an end. Hitachi's track record "gave it the right to bid for our work", but there was no special treatment granted to his former employer.

Not surprisingly, given the British Gas fleet of 2,200 cars and 12,000 vans is the UK's third largest, there was a lot of interest.

The list was trimmed by Winter's unusual approach to the tender process. His first step is to call all interested suppliers in for a combined meeting.

"I bring all the suppliers together and tell them our vision. Then they tell us whether they want to be part of the tender," he says. "Some go for it, others decline, which is good because it means we don't waste each other's time."

His fleet team of seven – two account managers, one fleet engineer, a car administrator, one finance, one asset management and another person assigned to the finance team – design the vision and do the presentations as they are responsible for maintaining the supplier relationships.

"My suppliers 'do' and the team manages," says Winter. "We are streamlined because of our collaboration with Hitachi and our other suppliers. It's an outsourced model that ensures we get maximum value for money."

The chosen suppliers will continue to come together regularly to discuss innovation, which offers significant benefits to the company.

One outcome of the meetings was an increase in the use of recycled parts and mechanical items for accident repair through salvage/recycling business FAB. It has helped to halve downtime and reduce hire costs by 30% in the past two years.

Hitachi's proposal for business as usual and fleet management was "class-leading", according to Winter, and it was duly reappointed as the leasing/fleet management partner a few months ago. However, this was his minimum expectation from the tender.

"It was the innovation they brought into the proposal that made the difference," he adds. "We want innovation during the term of the contract and we want service levels to improve so when we get to the end, it's

Steve Winter says innovation is important to everything British Gas does with its fleet

FACTFILE

Head of fleet Steve Winter
Time in role two years
Fleet size 14,200: cars – 2,200; vans – 12,000
Funding method contract hire, via Hitachi
Operating cycle six years (under review)
Brands on fleet cars – Audi, BMW, Mercedes-Benz, Seat and Volvo; vans – Ford, Nissan and Volkswagen

easy to renew. Some suppliers find innovation difficult; others relish it. Price and SLAs (service level agreements) are important, of course, but we are looking at that bit extra."

His immediate priorities with Hitachi are fleet utilisation, ultra-low emission vehicles, clean air zones and tackling uncertainties.

Only half the fleet is Euro 6-compliant, the minimum required to enter clean air zones without any charges (the rules about vehicle type vary by city), so one project underway is a vehicle replacement programme.

British Gas currently leases its vans for six years but this is under review based on the timing of new product and the likely introduction of electric vehicles (EVs).

It sources model replacement information from manufacturer partners to work into its own replacement cycles.

"We don't want to be tied into a six-year lease if a lot of new product is coming in the next two-to-three years," Winter says.

"Hitachi has been creative on our lease lengths. Residual values are important and we have some early termination written into the contracts to allow flexibility."

Electric is high on the replacement schedule agenda; British Gas has long held an ambition to convert its fleet across. Back in 2013, it made a public commitment to have 10% of its van fleet running on electric by 2017. That date has since moved to 2020, although the company has introduced 60 electric vans over that time, giving it one of the biggest pure EV fleets in the country.

Winter explains the challenges: "Our engineers take the vans home so we have to have a home-based solution which means charge-points. Out ambition remains to be pure EV, but we need the vehicles with the range and the charging infrastructure."

Nevertheless, British Gas has racked up one million electric miles over the past five years. The vehicles, all Nissan eNV200s, are coming to the end of their five-year lease and Winter is pleased with their performance.

"We've had very little battery degradation, around 10-12%, which was one of the initial concerns," he says. "We estimated maintenance costs of 60-70% of diesel but it's a lot less than that, which benefits the total cost of ownership (TCO).

"Driver acceptance is good; it relieves stress, they are automatic and quiet. And, from an operational point of view, we have had very few breakdowns, so uptime is good."

The experience has persuaded him to switch direct from diesel to electric for vans where possible, leapfrogging plug-in vehicles. "I don't believe they work from a TCO point of view," Winter says.

He is similarly unimpressed by petrol after a trial failed to produce fuel consumption savings. Driver feedback was also negative.

> *"We don't want to be tied into a six-year lease if a lot of new product is coming in the next two-to-three years"*
>
> *Steve Winter, British Gas*

"EVs are starting to slot into our working practices. But they have to meet our requirements, not the other way round. We have no compromise on specification, safety and capacity," says Winter.

The flexibility on lease lengths negotiated with Hitachi isn't simply to facilitate the uptake of EVs as they come to market. British Gas also has safety in mind; it is keen for its vehicles to adopt the latest technology.

Active braking systems are specified as standard after Winter proved the return on investment case with a trial on 400 Seat Leons. Rear-end collisions reduced by 20%.

Safety and collision management is linked closely to downtime management, which is a key performance indicator (KPI) for the fleet. Hitachi Capital Vehicle Solutions managing director Jon Lawes calls it "class-leading" among its customers.

Telematics plays a crucial role with the data combined with shift patterns and distance of use to ensure planned maintenance is scheduled on engineers' rest days. Repairers collect and deliver the vehicle from the engineer's house. Consequently, downtime is less than half a day per year.

Unscheduled maintenance is also kept to a minimum, partly through investing in reliable vehicles under the company's TCO matrix. Each vehicle is matched to a repairer, managed by Hitachi, so they can plan for MOTs and servicing. Such close collaboration also means that, if a vehicle breaks down, British Gas gets priority attention.

Downtime resulted in costly vehicle hire which affects engineer productivity as the vans do not meet British Gas specification. The company has partially offset this by holding a fleet of surplus vehicles, but they are kept centrally which is inefficient when the fleet is spread nationally.

Winter's target is to hold 3% of the fleet as surplus – it's currently too big – or, put another way, to achieve 97% utilisation. British Gas is working with Hitachi and its suppliers to find a way to hold stock regionally.

"I don't want 3% of my fleet sitting in our car park; I want it to be used to replace our hires," Winter says. "That's why we need to put the vehicles into strategic locations. Hitachi will manage this as part of the contract."

Utilisation will be further enhanced by a vehicle usage and specification project. Winter suspects he has too many variances and hopes to be able to rationalise the 12 specifications to two vehicle types – small and medium vans – with four or five specs.

The project will be tied into the next tender for van partners. Its current suppliers, Ford and Volkswagen, are in contract extension while Winter goes through his tried-and-tested process of bringing prospective suppliers together.

The vision he is sharing with them focuses on British Gas's electric vehicle roadmap. The tender will require insight into future models, recyclable racking, safety equipment and turnkey solutions. Also key are the practical user requirements such as load space and roof capacity.

In addition to bringing the right vehicles onto fleet, Winter is also considering the growing challenges of urban transport and has a number of trials underway for last-mile distribution solutions.

"Within the next year, we will be looking at parts supply and parts racking on our vans when we have completed our trials," he says. "We are also looking at electric bikes, but one problem is we have to carry step ladders and lots of equipment to ensure a first-time fix.

"A lot of it is about having the right vehicle which cuts down on movements. I can't see us having an airfield of drones, but there will be more supply chain logistics. And while our contracts will change, the innovation will still need to be there."

CARS ARE LEASED BUT OTHER OPTIONS ARE UNDER CONSIDERATION

British Gas has a company car fleet of 2,200 vehicles, a 50-50 mix of essential users and perk cars, with another 2,000 grey fleet drivers.

It leases its cars but is evaluating other options, such as employee car ownership schemes.

No decisions will be taking until the Government clarifies future taxation thresholds, although it's likely that British Gas will opt for a blended approach.

The new fuel testing regime WLTP has caused confusion but the company has been agile with its car policy which offers five badges: Audi, BMW, Mercedes-Benz, Seat and Volvo. Steve Winter has seen a shift in demand, based on availability.

"Volvo declared its figures early and they have picked up orders as a result," he says. "We have left it to our drivers to make the choice while certain models were not available; they have found alternatives. We also allowed them to cancel orders if necessary."

British Gas decided to be more flexible with its essential user drivers, who previously were restricted to Seat.

"We are now giving them the opportunity to go into the full car scheme to open up their choice," Winter says.

"It's good for staff retention and the manufacturers have worked hard to get their vehicles within our allowance bands."

Steve Winter's approach to tendering is to call all interested parties in for a combined briefing before asking if they still wish to be considered

For more fleet profiles, visit: fleetnews.co.uk/fleetprofiles

‘WE FEEL LIKE A START-UP’

DS’s first UK MD Alain Descat is on a mission to launch new product, a new dealer network and a new customer experience – fast. *Sarah Tooze* reports

DS Automobiles is part of Europe’s second biggest vehicle manufacturer, the PSA Group, so to hear its new UK managing director Alain Descat say “we feel like a start-up” might raise a few eyebrows.

But Descat explains that as of July 1, when the brand officially separated from Citroën to become PSA’s stand-alone premium brand, DS has adopted a start-up approach.

“We have to launch new product, a new dealer network and a new customer experience – the three pillars of the brand,” he says. “That is a start-up model, you launch with everything at the same time. We go fast; we have shorter loops.”

He believes that, like a start-up, the team has “an entrepreneurial spirit”. The brand aims to “embody French luxury”, which, in practice, means features like a clock designed by French luxury watchmaker BRM, which appears in the DS 7 Crossback, and the use of high end materials, along with the latest technology (including the semi-autonomous Drive Pilot and smartphone entry).

It also means quirky side projects such as DS design director Thierry Métroz creating the kitchen for three-star Michelin chef Yannick Alléno at his Pavillon Ledoyen restaurant in Paris.

The brand draws on its French heritage with its different interior options – which it calls ‘inspirations’ – named after Parisian landmarks such as the Place de la Bastille (DS Bastille) and Rue de Rivoli (DS Rivoli).

It’s all part of an attempt to appear “different” to the established premium (predominantly German) brands.

Descat says that with DS you “get a good amount of technology plus the difference of the style”.

The DS 7 Crossback is “a car to really stand out; to be different”, he says.

“If you want to stand out today you don’t get the car that everybody has on their driveway.”

Customers will stand out even more if they opt for DS’s delivery service, which sees their new car brought to their home by a DS transporter with a DS ‘expert advisor’ on hand to give them the keys and explain the car’s features. It’s part of DS’s ‘Only You’ offering (see panel), which is meant to enhance the customer experience.

How much interest there will be from a fleet customer in paying £195 for that kind of service – even from a user-chooser – is questionable but what is likely to pique their interest is the brand’s shift to electric.

From next year, every DS model will have an electrified version, starting with the DS 7 Crossback E-Tense 4x4 plug-in hybrid, which has an electric range of 31 miles, and the pure electric DS 3 Crossback E-Tense, which combines a 50kW battery and 100kW (136PS) motor to deliver a claimed 186-mile range under the new WLTP regime.

Petrol and diesel engines will also be available.

By 2025, new DS models will only be available as a pure electric or hybrid. Descat explains that, at that point, “the market will be ready to make the switch (to electric) in a stronger way”.

“For us, electrification is an enabler of driving pleasure, electric is the next luxury in that sense,” Descat says. “It’s obviously a way to be more environmentally friendly but it’s definitely a way to enjoy your car. We think pleasure will always be at the heart of driving.”

Electrification is expected to account for a third of the brand’s sales by 2025, although it’s too soon to say how that will translate to UK sales and fleet sales in particular.

In fact, Descat won’t talk about any fleet sales expectations – “we don’t communicate volumes because I don’t want to give the perception that the brand is driven by volumes, we need to control our volumes”, he says.

“Yes we could do more volumes easily but that’s not the goal of the brand. I need to build this brand for 30 years.”

DS 3 Crossback enters the compact SUV segment to challenge the Audi Q2 and Mini Countryman

BENEFITS OF THE ‘ONLY YOU’ PROGRAMME

Alain Descat believes that customer service is “as important as the product itself”. DS has created an ‘Only You’ customer service programme, which includes:

- **MyDS smartphone app – for connected services, journey information and access to Only You services and benefits.**
- **DS at your Service – a dedicated phone number or online chat service to answer questions.**
- **DS Assistance – 24/7 roadside assistance.**
- **DS Delivery Valet – delivery of your new DS car to your chosen location.**
- **DS Service Valet – local collection/delivery of your DS for maintenance requirements.**
- **DS Club Privilège – loyalty club for all DS owners to enjoy exclusive events and privileges.**
- **DS Rent – for the hire of a chosen DS car.**

Alain Descat is pleased about the DS entrepreneurial spirit and wants his team to feel part of something special

FACTFILE

Brand: DS Automobiles
UK managing director: Alain Descat
Time in role: six months
True fleet sales 2018 September YTD: 651*
*As measured by DS

However, he does reveal that longer term he would like to see a 50/50 fleet-retail split on the DS 7 Crossback, the first of the brand’s new generation of models.

The previous models – DS 3, DS 4, DS 5 – which ceased production in May this year, were more geared to the retail market; DS 3, in particular, was “very much a car for the retail market”, Descat says.

DS 3 Crossback, the second product of the new generation, enters the compact SUV segment and is being pitted against the Audi Q2 and Mini Countryman.

The main challenge for DS is brand awareness and Descat believes the best way to tackle this is test drives.

DS has a fleet of demonstrators specifically for leasing companies and corporate customers and it has attended events such as Company Car in Action, where the “feedback was brilliant”.

“People don’t know about the brand, they discover it, then they step in the car and say ‘wow, what’s all this? I get so much in this car in terms of technology’,” he says.

“We need to create desirability of the brand and we do this by word of mouth; our best ally is word of mouth.”

Descat says that DS will target all areas of the fleet market – SMEs through its dealer network, and leasing companies and larger corporates through the PSA fleet team, headed by Martin Gurney.

> *“There is a lot of pride in the DS team. We feel we are the builders of something great”*
>
> *Alain Descat, DS Automobiles*

DS is offering 24-hour and 48-hour test drives throughout its dealer network and has an initiative in London and Greater Manchester where a customer can book a test drive online and a professional will bring the car to their home or office.

“One of the promises of DS is to go to the customer or to let the customer come to us, you need to have the choice,” Descat says.

The plan is for a DS dealer to be around a 30-minute drive from premium market hotspots but the network is currently considerably smaller than when it was part of Citroën.

“DS 3, 4 and 5 were sold by roughly 150 Citroën dealers until the end of June. When we made the switch on July 1 we had 25,” Descat says. “We’re at 35 today and I expect to be around 50 by the end of the year and between 60 and 70 at some point, and then we’ll stop, given the current market.”

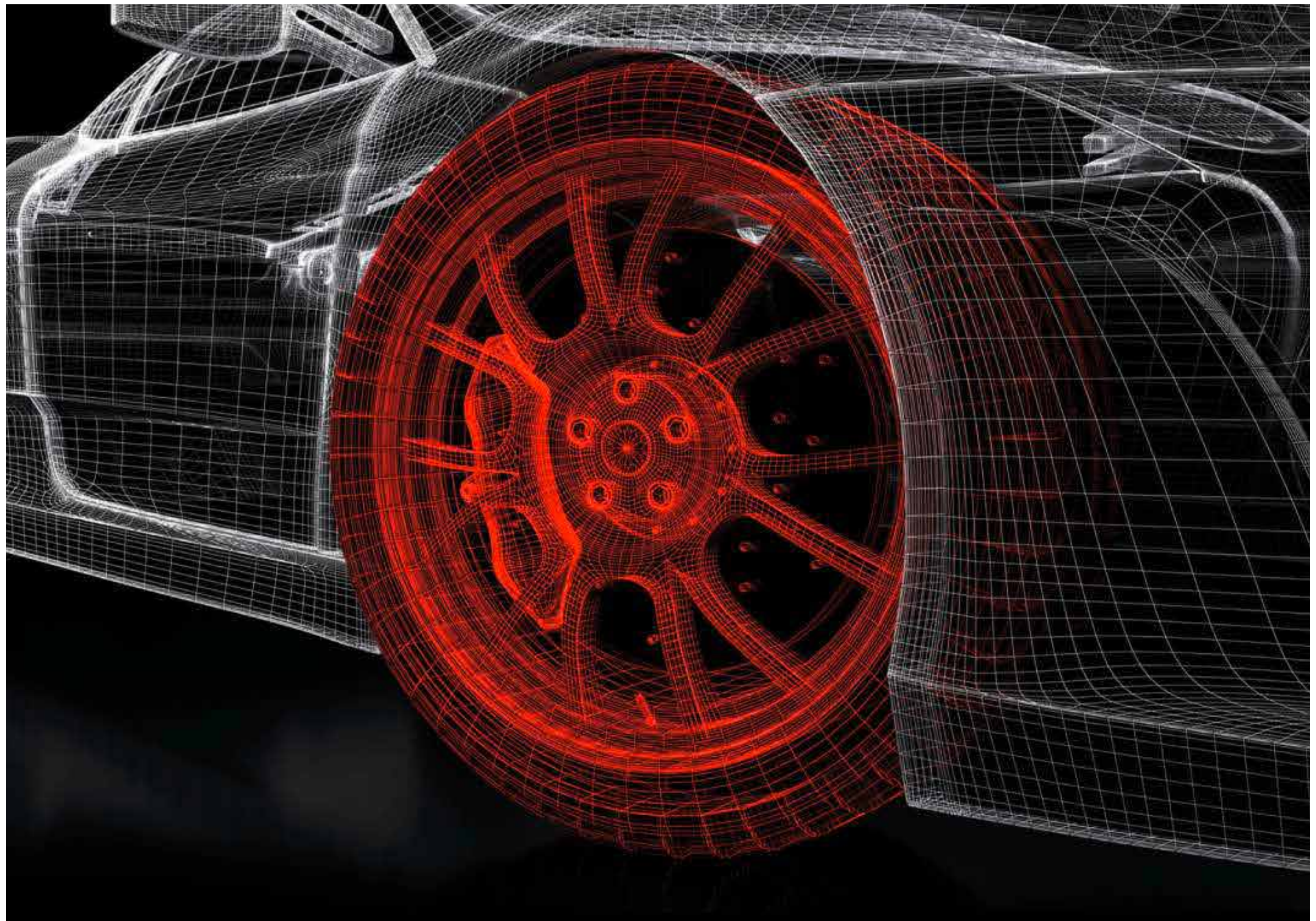
Currently, the DS network is all Citroën investors but the brand plans to attract new ones.

“We’re at a time when the volumes of DS are the lowest because we’re in a transition so how do we take on board new investors? We bring them to design centre and we show them the future so they can understand what we want to do,” Descat says.

“They see PSA is investing billions to support that, we take them through the full strategy of the brand and the way we look at them is we are looking for partners who are willing to invest for a long time, that are on a longer journey with us and have the entrepreneurial mindset to build the brand so it requires investment. But you see every year there is a new product, we’re preparing for more volumes in the future.”

Descat believes that as a stand-alone brand DS is “more in charge” of the way it collaborates and interacts with its dealer network.

“I want them to have this feeling of being part of something special,” he says. “There is a lot of pride in the DS team. We feel we are the builders of something great.”



TIME TO TAKE CONTROL

Many fleets leave tyre management to their leasing companies, but there are many reasons they should take an increased interest. *Ben Rooth* reports

Despite their critical role in the safe and cost-effective operation of a vehicle, the management of tyres is an issue often overlooked by fleet decision-makers. Instead, many are content to leave it to their leasing or maintenance provider, reducing their admin work.

But this should not be the case, says Steve Haigh, group transport manager of asbestos removal specialist Rhodar, who took tyre management out of a leasing contract in order to control it himself.

"Whenever one of my colleagues ventures on to the road, they have a patch of rubber that's approximately three-and-a-half square inches connecting their van to the tarmac," he says.

"In short, I want the peace of mind that comes from knowing they can always stop as quickly and safely as possible, regardless of the road conditions.

"And that's why my preference has always been to manage the tyres that are fitted across Rhodar's entire fleet myself rather than outsource this process to the leasing company's maintenance contract."

Haigh's approach is not typical of the wider fleet sector,

1.6mm
of tread is the legal limit

but more fleet decision-makers should take an active interest in their organisation's tyres, says David Morris, fleet and business account manager at Goodyear Tyres.

"Fleets will often have company car and driver policies but, generally speaking, tyre management policies aren't as common as they should be," he adds.

"Tyre management policies should be afforded the same care and attention as any other health and safety document. Managers should be working in association with either a premium tyre manufacturer or respected supplier to provide one.

"It doesn't need to include a huge amount of information, but if a business operates a fleet or provides employees with company cars, tyre management should form part of a standard company document."

Jonathan Layton, head of fleet at Michelin, adds: "When you get it right, you can normally find that sweet spot where you are enjoying maximum performance and safety, for the lowest cost per mile."

Overleaf we look at the questions a fleet decision-maker should consider when compiling a tyre management policy.

WHEN TO CHANGE TYRES?

Usually, this boils down to finding the right balance between cost and safety for an individual organisation, while ensuring that tread does not wear below the legal limit of 1.6mm.

Change too early and fleets could be spending unnecessary money replacing tyres which are safe, legal and have several thousand miles of wear left in them.

Leave it too late and fleets could be using tyres which provide reduced grip in wet conditions, as well as running the risk of falling below the legal tread limit.

"Adequate tread depth is essential for good grip on wet roads as the tread pattern helps to remove water from between the tyre and the road surface," says a spokesman for tyre safety charity TyreSafe.

"Drivers with insufficient tread depth face longer stopping distances, reduced grip and an increased risk of aquaplaning."

It is common for fleets to change tyres when the tread falls to between 2mm and 3mm, while road safety charities TyreSafe and RoSPA (Royal Society for the Prevention of Accidents) recommend they are replaced at 3mm.

Their view is mirrored by Apollo Vredestrein UK fleet sales manager Ricky Mitchell. He says: "We suggest that while most mid-range and premium tyres are designed to perform to the end of their life – which is 1.6mm in the UK – their performance will alter as the tread depth lowers.

"Our advice would be to change fleet vehicle tyres at a tread depth of between 2mm and 3mm to avoid any possible risk of having illegal, unsafe tyres, leaving sufficient time for the unexpected."

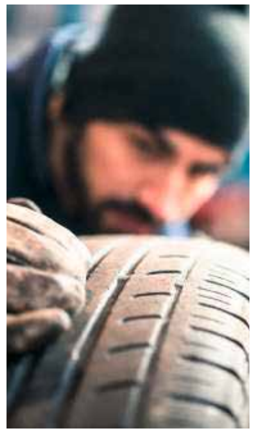
However, Layton says: "For us, the statutory minimum legal tread depth of 1.6mm is perfectly suited to modern motoring – especially as we know from first-hand experience with our latest generation products that tyres can be manufactured today which are safe when new and safe when worn.

"Changing a tyre at 3mm or 4mm equates to purchasing approximately one extra tyre per vehicle, every two years – and the bigger the fleet, the more that additional cost starts to add up."

Fleets which lease their vehicles also have to consider other factors when deciding when to replace tyres, adds Gil Kelly, operations director of Venson Automotive Solutions.

He says that if a company has a policy of changing tyres when the tread is down to 2mm, and a vehicle has tyres at 2mm but is due for replacement within six months and the expected mileage is low, then it may not be prudent to replace tyres.

"Conversely, if there is a high-mileage driver who has a vehicle in for service and the tyres are at 2.2mm and the vehicle is due off contract in six months, then replacement tyres may be appropriate," adds Kelly.



Regular tyre inspections should be incorporated in fleet policy

Many fleets choose to replace tyres when the tread is between 2-3mm

To replace or not? Making a change too early may incur unnecessary costs; too late and safety factors come into play

PREMIUM, MID-RANGE OR BUDGET?

Although tyres account for almost one-third of a fleet's maintenance budget, there are many other factors other than cost which should be taken into account when deciding what make of tyre to use, according to Jayne Pett, sales director at Fleet Operations.

"With so many brands available, it can be a minefield to decide what to go for," she says. "If you are looking for cost efficiency, mixed with longevity and peace of mind, we would recommend running mid-range tyres.

"In the case of budget tyres, you get what you pay for: they do the job but can be something of a false economy, with lower performance and a shorter lifespan.

"We would recommend changing to budget tyres if a vehicle is due back to a funder in the forthcoming three to six months or if it has been earmarked to be sold."

However, while budget tyres will cost less to buy, value for money should not be judged on cost alone, says Layton, which means fleets should give serious consideration to premium tyres.

He says these are unlikely to be the cheapest at point of sale because of the considerable levels of technology and research that goes into their development.

"But we are confident that the wholelife cost of a Michelin tyre, combined with long-lasting performance, reliability, low rolling resistance, safety and environmental credentials, make them an excellent option for fleets," adds Layton.

Andy Fern, GB fleet sales director at Kwik Fit, says that the choice of budget, mid-range or premium tyres is particularly relevant to organisations which operate vans.

"There is a misconception that van fleets should adopt budget tyre policies due to the high frequency of damage. However, a quality premium van tyre is built to withstand the stresses and strains of daily use," he adds.

"Certain premium brand van tyres are more like scaled down truck tyres as opposed to scaled up car tyres."

"Fleets will often have company car and driver policies but, generally speaking, tyre management policies aren't as common as they should be"

David Morris, Goodyear Tyres

SUMMER, 'ALL-SEASON' OR WINTER TYRES?

Until recently, choosing the type of tyres was not even a consideration for the majority of fleets. New cars and vans come fitted with summer tyres and, unless there was a specific safety or operational need, these would be replaced on a like-for-like basis.

Some organisations such as those in areas such as the Scottish Highlands or emergency services may traditionally have alternated between summer and winter tyres to ensure all-year round mobility, but this switch leads to extra cost and vehicle downtime.

However, the new generation of 'all-season' tyres, such as the Michelin CrossClimate+ and Continental AllSeasonContact, could offer fleets an appropriate all-year-round solution.

For example, Michelin says CrossClimate+'s winter performance is within 5% of its Alpine-dedicated winter tyre, but offers all the driving characteristics of a summer tyre.

One of the fleets which has adopted CrossClimate+ is South Western Ambulance Service NHS Trust, which fits it to its 200-strong fleet of Škoda Octavia rapid response vehicles.

"We only take vehicles off the road for safety inspections or maintenance, and the six-week transition period previously required to swap our summer and winter tyres twice a year was incredibly inconvenient," says Kevin Bartholomew, fleet operations manager at the trust.

"We can now keep the same tyres on the Škodas year-round, saving time and money. Lives depend on ensuring safe mobility for our fleet, so we simply can't afford for tyre-related downtime or lack of grip in snow, ice and rain to delay us on a call-out."

SPONSOR'S COMMENT

By Jonathan Layton, head of fleet, Michelin

One of the most valuable assets a business can have is trust – and this is something Michelin has worked on for decades and continues to put at the forefront of what we do.

For the fourth year running we have come top of our sector in the Reputation Institute's World's Most Reputable Companies research – and 11th overall.

The survey highlights the quality of Michelin's products and the support we offer to customers. This is not a new thing – but it's something we continually strive to enforce by investing around €600m every year in R&D and employing 6,000 researchers to develop new ideas.

This dedication has seen us develop innovative products such as the MICHELIN CrossClimate+, MICHELIN CrossClimate SUV and MICHELIN Agilis CrossClimate ranges which offer cars, 4x4s and vans tyres that are as good in winter as they are in summer. Thanks to this innovation, fleets can benefit from a new level of safety and mobility year-round, without the costs or downtime of running two sets of tyres.

It's not just our products that people trust – it's our philosophy. Today, all big companies are expected to behave responsibly to help tackle some of the major challenges of our time.

We have designed lighter tyres using fewer raw materials and continue to reduce rolling resistance to improve fuel efficiency whilst cutting CO_2 emissions. We are making tyres more damage resistant to avoid early replacement and unnecessary downtime, plus ensuring they deliver long lasting performance with shorter braking distances in all conditions, right down to legal tread depth limit of 1.6mm – meeting our safe when new, safe when worn approach.

These factors mean we are trusted by fleets to provide a premium product which is cost-efficient and durable as well as being environmentally responsible.

And of course, every fleet wants happy, confident drivers and we believe our brand provides just that. You'll certainly never face driver resistance from fitting a set of Michelin tyres!

MICHELIN

The proliferation of tyre makes and brands make it difficult for fitters to hold a comprehensive stock

HOW SHOULD YOU ACQUIRE TYRES?

In general, large fleets tend to have tyre contracts in place with leasing companies and tyre manufacturers while smaller fleets tend to deal directly with fast-fits and local independent dealers.

Nonetheless, the advice from industry experts is for each organisation to scrutinise the way it operates while simultaneously examining the size and composition of its fleet.

Mitchell says: "Choosing the best service provider and purchase option will vary between different fleets.

"If leasing vehicles with tyre maintenance included, then the leasing company will have a preferred deal with a service provider – usually one of the high street retail chains – in place. However, as a fleet manager, one could reserve the right to choose one's own tyres although the leasing company is likely to specify the terms and conditions of having the vehicle back with the same brand of tyres and tread depth.

"If vehicles do not have a service agreement in place – and it's also possible to have service agreements which exclude tyres – and tyres are being purchased by the fleet, then there's undoubtedly more choice.

"For tyre agreements with national fleets, the service provision is still dominated by the national retailers offering a local store in all areas and consistent policy adherence."

Mitchell adds that an alternative is for fleets to use web-based platforms – such as Fit4Fleet and the Fleet Tyre Network – which join together networks of independent tyre fitters to manage bookings, authorisations and invoicing.

"These networks may be more cost-effective or deliver a more personal service to the driver, ensuring that fleets' tyre policies are fulfilled," he says.

"These (independent tyre fitters) networks may be more cost-effective or deliver a more personal service to the driver"

Ricky Mitchell, Apollo Vredestrein

"Some tyre manufacturers are also working with service providers or networks, which then allows fleets to work with and be invoiced by the manufacturer directly.

"For smaller fleets or those based in a local or regional area they could negotiate directly with a local tyre dealer.

"Agreeing the best price and policy with a local company may very well deliver the best in terms of service levels and cost – as there are fewer people involved in the supply chain, and a local company would be keen to win regular sales."

WHAT ADD-ON SERVICES ARE AVAILABLE?

Fast-fits and independents are introducing an increasing number of additional services.

This can range from tyre inspections on cars and vans while they are parked at an organisation's premises to online appointment booking, such as Kwik Fit's Fleet Web Booking.

Fern says: "This is our solution to the ever-increasing proliferation of tyre makes, sizes and types which is making it impossible for centres to stock the thousands of tyre options available and thus makes a 'fit first time' visit harder to accommodate."

Kwik Fit also has a mobile fitting service named Mobile7 which allows tyres to be fitted where the client chooses.

Earlier this year, Rhodar renewed its national service package to supply and fit Michelin tyres across its fleet of 250 light commercial vehicles with ATS Euromaster.

Under the new contract, an ATS Euromaster technician visits Rhodar's network of depots every six weeks to carry out routine tyre inspections across the fleet, providing recommendations for remedial work to increase tyre life and protect against the likelihood of tyre-related downtime.

IS ONGOING TRAINING NECESSARY?

While the bulk of a tyre management policy will cover cost, safety and service level issues, it should also include training for employees who use company vehicles.

"This training needs to ensure a driver is consistently directed to check that they have the right tyres and that they know how to keep them in good condition," says Morris.

"This could take the form of online awareness tests or even attended training sessions, so drivers are equipped with the knowledge required to check their tyre pressures and tread depth on a weekly basis."

FleetNews AWARDS 2018

WINNER: VISIONTRACK

'We are mandatory now for so many insurance companies'

VisionTrack's video/telematics products are being connected at 'incredible' rates as fleets seek ways to improve safety

Simon Marsh (seated, centre) with members of his award-winning team

By Matt dePrez

VisionTrack has a clear objective to help fleets prevent incidents, reduce fraudulent claims, cut insurance premiums and, ultimately, save money.

Its combined video and telematics system gives fleet operators total visibility and can be used to produce vital evidence in the wake of a collision.

The company is a specialist supplier and manufacturer of vehicle CCTV technology, vehicle telematics and GPS tracking systems. Services range from single-vehicle monitoring systems up to large-scale fleet tracking.

Using artificial intelligence and machine learning, VisionTrack's system can provide advanced driver assistance and support driver training.

It can recognise and alert the driver to potential hazards, such as an impending collision, plus identify and record dangerous driving behaviour such as tailgating and mobile phone use.

In the event of an incident, the system will automatically record and send a video clip in near real-time, along with associated telemetry, to the fleet manager. The driver can also activate a panic function, which will open a live feed to the operator if the driver is in danger.

According to VisionTrack managing director Simon Marsh the key feature of the system is prevention.

With a road transport background, he has experience of being in a situation where the cause of an accident could never be established.

It is something Marsh is passionate about. "We can reduce road deaths through better behaviour. Fleets really are on board with reducing their claims and if you stop the smaller claims you might also prevent a bigger one," he says.

"If you ask any fleet manager about the transition from normal telematics to video, it's about the full picture. If there is heavy braking, you can see why before questioning the driver – it might be because a pedestrian walked out in front of the vehicle.

"Cameras, if used and reported back correctly, have the effect of making drivers drive more carefully because they know they are being monitored."

> *"If you ask any fleet manager about the transition to video, it's about the full picture"*
>
> *Simon Marsh, VisionTrack*

Integration with data from other telematics providers and manufacturer-fitted systems is available, thanks to VisionTrack's cloud-based platform.

The system can also be updated at any time and new sensors can be added and integrated within weeks, giving the potential for integration with a limitless number of devices.

FleetNews: What are the advantages of using a combined video/telematics system?

Simon Marsh: You can see in real time what the driver is doing and how he is behaving.

Cameras are sensors; you can do so much more with them than pure telematics data.

Video is now becoming the norm and we are a one-stop-shop for fleets. We have collaborated with some of the biggest telematics companies in the world, providing them with video technology.

Risk management drives it. One of our clients found that using our technology reduced frequency of incidents by 24% and claim costs by 18%.

As the world evolves, insurance is becoming more expensive and so it is always a challenge for fleets to reduce their insurance premiums.

Claim costs keep going up. Fraud is still an issue and as more technology comes around there is a higher risk of distractions.

We want to prevent claims in the first place. If the fleet manager has actionable data to use, they can prevent a claim happening.

Telematics can only give you an idea of what happened. Video confirms it.

In cases where there is a fatality, the system can enable police to identify that the driver was not at fault.

In terms of utilisation, you have better visuals. You can see if the driver is stuck in traffic, for example.

Prevention is the biggest thing. You are preventing downtime of vehicles. Any incident costs the business money.

With better behaviour, you see fuel reductions too.

FN: What data can fleet operators expect to get from VisionTrack?

SM: Fleet managers get a dashboard and they can choose what they want in it. We speak with all our fleets to find out what they are looking for.

Some insurers only want the post-collision data – others want to monitor risk and want reason.

We can run different reports for different fleets – every fleet wants something different.

We are flexible, using our in-house team of software developers; we often create bespoke solutions for a lot of our big fleet customers.

Ultimately, we are there to bring to their attention dangerous driving.

FN: How many cameras do you have connected?

SM: It is now reaching 25,000 and growing 25% month-on-month. August was an incredibly busy month for the business with 6,500 connections taking place. We now have more than 500 fleet clients.

From inception to where we are now, the growth has been incredible.

I've never seen so much demand for video telematics. We are mandatory now for many insurance companies including Markerstudy, Direct Commercial and Collingwood.

Insurers are now saying you have to use our technology to be insured. That applies across van and truck fleets – especially the higher risk ones.

The more insurers see the data reducing claims costs it becomes significant.

FN: How long does installation take?

SM: Dependent on what is requested, it can be from 45 minutes to a whole day. It also depends on the size of the fleet and its requirements. What is most import is the scalability of our platform.

Video is a big challenge for a normal telematics company as the data volume is so much higher. A single vehicle can push out as much data in a day as a usual telematics system pushes out in a month.

FN: What about data directly from a vehicle?

SM: Our whole platform is designed to listen to any data set. My vision is that one day it will all be in the vehicle and we will be able to pull all the data.

Historically, if you have vehicles from different manufacturers you would have to use different systems for each.

Ford is already pushing data out to third parties and I think the others will now. The customers want the data, some fleets have 5,000 vehicles and the fleet manager doesn't want to start changing the system.

If you can get the data from the vehicle it will get rid of the downtime needed to fit systems.

The future is the connected vehicle and our platform is connected vehicle.

I can see more manufacturers heading into this space and the big win for fleets is when they allow that data to be shared.

Cameras are coming into vehicles too now, so certain vehicles will need no hardware at all.

VisionTrack has a clear commitment to improving driver behaviour and reducing claim costs for its customers.

Its platform not only allows fleet managers to choose how and when they receive notifications, but also accepts data from other providers.

By opening up its platform to other telematics companies, VisionTrack is helping to get more cameras fitted to more vehicles, opening up new opportunities for the insurance sector.

Usage Based Insurance (UBI) is seeing significant growth as new technology in vehicles provides live

"UBI in commercial is a natural 'next step' in this evolution," said Marsh

"With extremely accurate pricing based on live data, it's no surprise that it's predicted to move quickly into the market.

"There are obvious benefits in cost-saving but also the potential prevention of incidents with monitored driver behaviour, ADAS features and live footage in the event of an incident," he added.

By combining behavioural metrics, driver risk scoring, contextual data and video systems, insurers can build the next generation of insurance solutions for commercial fleets, not only offering a complete picture of fleet performance but an accurate risk per mile assessment.

FACTFILE

Managing director: Simon Marsh
Time in role: four years
Number of connected cameras: 25,000
Key products: VT2000, VT2.2 and VT4000

JUDGES' COMMENTS

VisionTrack is using artificial intelligence to develop its solution and incorporate cameras that recognise and alert hazardous driving behaviour such as mobile phone use or falling asleep at the wheel. It has taken the complexity and potential higher costs away from fleets by combining telematics with a vehicle camera. The judges were impressed by its customer testimonials which demonstrated big improvements to fleet safety.

WLTP and BIK uncertainties prompt need for flexible solutions

High mileage driver options may differ significantly compared with what's best for those who drive less than 10,000 miles per annum

By Sarah Tooze

Fleet policies are set to become more complex as businesses look at alternative forms of funding and options for employees in the wake of rising benefit-in-kind (BIK) tax, issues around WLTP (Worldwide harmonised Light vehicle Test Procedure) and uncertainty about BIK rates beyond 2020/21 (at the time of writing).

A number of fleet operators report that their company car drivers are taking the cash option or want to be offered a cash allowance so they can "do their own thing" – be that taking a seemingly attractive personal contract hire (PCH) deal or, for those based in London, not having a car at all.

John Pryor, chairman of fleet representative body ACFO, says: "User choosers are saying 'I'll take the cash and do my own thing'. I think they're seeing the BIK creeping up, jumping up by a couple of grades because of WLTP, and just saying 'I can get a car cheaper outside' [the company car scheme]."

Nigel Boyle, administration and technical director at hatchery company PD Hook, says that his drivers are seeing "BIK go up like a rocket" and that "very few people willingly have a company car" now.

"They see it as a big drain of cash," he adds. "We're thinking about going over to giving a cash allowance because they're giving us pressure on the cost of BIK."

However, it is important drivers look at the whole picture and not just the 'headline' monthly price of a PCH deal. They need to factor in the deposit contribution, their credit rating, insurance, maintenance, tyres,breakdown recovery and their annual mileage, while businesses need to consider the duty of care and cost implications.

Steve Cuddy, head of fleet – banking division at Close Brothers, is concerned that if drivers were offered cash they could simply take a PCH deal for 10,000 miles and once they hit that limit start to use trains or other forms of transport for business journeys, pushing the company's costs up.

As a rule of thumb, drivers doing more than 10,000 miles a year would be best in a company car scheme.

Suzanne Phillips, national fleet consultant at Hitachi Capital Vehicle Solutions, says: "I've performed quite a lot of comparisons on TCO [total cost of ownership]. Where the mileage is particularly high, contract hire does still come out as more beneficial. Where the mileage is lower there is a sweet spot."

"In this day and age, if you just go with a fixed policy you're going to be out of date pretty quickly"

Steve Winter, Centrica

She believes that for businesses with high mileage drivers, the latest employee car ownership (ECO) schemes might be worth considering.

"Where there is high business mileage, the simplified, streamed-down ECO schemes can work," she said. "We have one that is live at the moment. It just got new HMRC clearance and we're working on it with a few customers. It's niche and relies on AMAP (approved mileage allowance payments). But if they're doing high enough business mileage the AMAP will more than cover the whole cost of the car without any BIK contribution."

She suggests ECO could also be a way of giving drivers "cost certainty" as they would have a fixed cost for the next three or four years.

However, there are factors such as staff turnover and whether a business has sufficient data, particularly fuel reports and expense claims, to consider.

For some organisations, daily rental or mid-term leases work best alongside traditional contract hire and can be an alternative to contract extensions while there is WLTP and BIK uncertainty.

For other organisations, corporate car sharing schemes act as an effective means of staff travel.

"There is not one solution for everyone any more," Phillips says. "It depends what you need operationally, what your drivers need. I think more and more organisations are needing more than one solution in their policies because drivers need different things.

"It's about having that framework so that as legislation changes, as technology is changing, you've got a policy in place where you can flex that solution."

Steve Winter, head of fleet at British Gas, which has a fleet of 12,000 vans and 2,200 company cars, agreed: "We're looking at a number of options. ECO will work for some people. So will salary sacrifice, PCH and contract hire.

"You've got to have a blend because in this day and age, if you just go with a fixed policy you're going to be out of date pretty quickly."

Fleets and residual values:

The cost of doing nothing

Over the past five years, the car industry has enjoyed great success, with registration records being consistently broken year-on-year. Both fleet and retail customers have benefitted from cheaper monthly rentals on their business, personal contract hire and personal contract purchase vehicles. We are, however, now seeing a decline in residual values in the industry which is causing a rise in costs for a large number of vehicles.

Why?

Generally speaking, new vehicle registrations have been on the rise for several years. The recession in 2008 had resulted in a decline in interest rates, whilst suppliers did everything they could to drive new business and retain their customers. This increase in both competition and registrations resulted in a boom in the number of cars on the market, most of which were fetching good prices against the residuals set at the start of their terms. There have since been scrappage schemes put in place by manufacturers and the Government in a bid to increase new cars on the road and reduce the UK's carbon footprint. We are now, however, in an environment where supply outweighs demand – so vehicles are no longer reaching their previously expected residual values.

What does this mean?

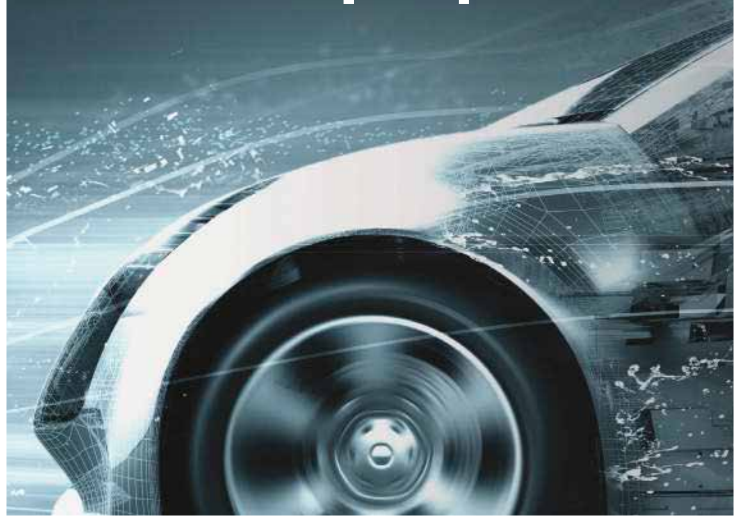
First and foremost, companies will see an increase in pricing within the industry. Residual values will only form part of this increase: interest rates are moving in the wrong direction; and Benefit-in-Kind taxes are also on an upwards trajectory, with no decline in sight unless companies consider alternative fuel options. Companies who run whole life cost or net rental policies may see vehicles moving into higher tax bands, causing HR and fleet managers headaches when it comes to dealing with drivers and employees.

All of which means that procuring your fleet could cost thousands extra per annum. If nothing is done to address this, it will mean that companies have to achieve greater turnovers just to break even on the extra cost that their fleet is enduring. This will certainly affect a company's growth aspirations.

What is the solution?

The decline in residual values does not mean that you should have to take on the extra cost. There are other ways that your supplier can help, by looking at sharpening your policy to make it work harder for you. Your supplier should be proactively making sure that you, the customer, are covered appropriately and safeguarded for the present and the future. Your account manager ought to be keeping you informed of what is around the corner.

"57% believe their fleet policy isn't fit for purpose"



- Have you got the best vehicle on your fleet? Operational fleets very rarely get reviewed frequently enough, and this is where we find that companies leak the majority of costs.
- Have you got a robust whole life cost policy that has been reviewed recently to incorporate rising emissions due to new emission testing? This could affect a whole range of tax pay-outs, including Employers' National Insurance Contributions.
- Have you conducted a manufacturer tender with your leasing partner? We find that many customers are not taking advantage of the extra support that could be available to them from manufacturers.
- Have you considered alternatively-fuelled vehicles? Introducing an EV replacement scheme will soon be a requirement in preparation for ULEZ and CAZ.
- Connected vehicles are pumping out more driving information than ever before. Has your supplier got a plan to capture and present this data back to you, to enable you to make key business decisions?

Our recent Fleet News poll found that 57% of respondents believed their fleet policy wasn't fit for purpose. It's time to get a different view.

We have developed a key tool that we utilise to assess our customer's policies and their future effectiveness when compared against the backdrop of challenges you face in the market place.

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ON SALE: MARCH 2019

BMW 3 SERIES

Seventh incarnation of 3 Series unveiled in Paris

By Matt de Prez

BMW managed to keep the all-new seventh generation 3 Series a closely guarded secret prior to its Paris Motor Show launch, with little details of the model leaking out.

At the car's official debut it was not only showcased in the metal but also announced with full specifications and prices for some of the engine line up.

It goes on sale next March, priced from £33,610 – around £800 more than the existing model.

Crucial for fleet customers is the CO_2 emissions of the 320d. Emitting from 110g/km, the 320d is more efficient than its predecessor (125g/km) and key rivals the Mercedes-Benz C 220 d and Jaguar XE 20d.

BMW has shed up to 55kg from the new 3 Series, making it more efficient, says the company, and better to drive, while a longer wheelbase provides greater interior space.

ENGINES

The full engine line up is yet to be confirmed, but BMW has announced specifications for the 320d and 330i.

Its key fleet model, the 320d, is the cheapest at £33,610 and can achieve up to 67.3mpg with an automatic gearbox. CO_2 emissions start from 110g/km, or 115g/km for the manual 320d.

The manufacturer has confirmed that a 330e plug-in hybrid version will be available too, with more details to follow.

With 190PS, the 320d provides a balance of performance and frugality. It can accelerate from 0-60mph in less than seven seconds, yet when the car goes on sale benefit-in-kind tax will start from around £2,000.

BMW has also confirmed an all-wheel-drive xDrive version, emitting 118g/km of CO_2.

SAFETY

All 3 Series models will feature Active Guard Plus, which includes speed limit information, lane departure warning and Collision and Pedestrian Warning with City Braking function, along with Cruise Control with braking function.

The optional Driving Assistant Professional package includes the Driving Assistant as well as Active Cruise Control with Stop and Go, Steering and Lane Control Assistant, Lane Keeping Assistant with active side collision protection, Priority Warning and Wrong-way warning systems and Cross-Traffic Alert.

A reversing camera and automated parking assistant are fitted as standard. Customers can choose to upgrade to Park Assistant Plus which includes the Park View, Panorama View and 3D Top View features. These can create a 360 degree image of the vehicle and its surroundings – from different perspectives – in the Control Display.

This introduces Remote 3D View function which gives drivers the ability to call up a three-dimensional live image of their vehicle and its immediate vicinity on their smartphone.

EXTERIOR

In keeping with BMW's recent model launches, the new 3 Series features larger kidney grilles. So large in fact that they meet in the middle as a single piece, rather than the traditional split grille.

The car gains 85mm in overall length and 16mm in width. Height is almost unchanged, with just a 1mm gain.

Aerodynamics are improved as a result of the new body and bumpers, while a number of chassis improvements sharpen handling.

BMW says the body is up to 50% stiffer in certain areas which, combined with the weight reduction and other enhancements, are expected to deliver best-in-class driveability.

The infotainment display is larger in the new version

INTERIOR

A driver-focused cabin offers an evolved design from the old model. It includes a digital instrument cluster and larger centrally mounted infotainment display.

BMW has located the climate controls neatly within the air vent housing and moved the engine start button to the centre console, by the gear lever.

Access to the car is easier, with larger door apertures and improved interior space. Front seat passengers can enjoy more shoulder room while there is an extra 11m of space between the front and rear seats.

Boot size is unchanged at 480 litres but additional storage compartments add an extra 36 litres and the car now features 40:20:40 split folding rear seats.

SPECIFICATIONS AND TECHNOLOGY

Standard specification on the entry-level SE model includes LED headlights, reversing camera, electric folding door mirrors, three-zone air conditioning and acoustic glazing.

The Sport model adds 18-inch alloy wheels, leather seats and driver and passenger heated seats.

The M Sport model has larger air intakes as well as a different design for the front bumper, side skirts and rear apron. Inside there are Sports seats, an M leather steering wheel and an anthracite BMW Individual headliner.

BMW Live Cockpit Plus is standard on SE and Sport models and includes a touch controller, sat-nav, two USB ports and a WiFi interface. The control display is 8.8-inch and features a touchscreen, while the instrument cluster has a 5.7-inch colour display.

As part of BMW Live Cockpit Plus, the new BMW 3 Series includes a host of connected services as standard: emergency call, teleservices, over the air map updates, BMW App connectivity and intelligent voice assistants.

In addition to this, the BMW Connected Package Plus is now standard.

THINKING CAP

By Martin Ward, manufacturer relationships manager

cap hpi

Monday Up to near Wetherby, to drive the all-new Vauxhall Combo Life, the brother of the Citroën Berlingo Multispace and Peugeot Rifter – now all one big happy PSA family.

The Combo Life is a van with windows which used to be known as a CDV (car-derived van) but this really is a posh van.

It is very car-like and has loads of goodies and the build quality is up to a high standard. It is available in either standard wheelbase or a longer version, with each offering five or seven seats on most models. I drove the 1.5 130PS Turbo Diesel on the A1 and on country roads. It was very pleasant to drive, quick and quiet. Just me in it, so I didn't get chance to test all the storage space or the luggage room. This type of vehicle is certainly becoming more popular as they really are very useful and versatile, but not every fleet driver will change their traditional SUV or MPV for a car-type van.

"The Citan drove really well, was amazingly frugal and we were all comfortable"

Friday – Monday As if by magic, I experienced a CDV coincidence when visiting Malaga with the family. At the rental desk, the lady saw we had quite a bit of luggage and other things, so offered us a Mercedes-Benz Citan as an alternative to the VW Golf 'or similar' for the same price – and good job she did.

Four adults, one toddler, one baby seat, one pushchair, five pieces of hand luggage, and it all went in with ease. We would have struggled in the C-sector hatch.

The Citan, like the Vauxhall, drove really well, was amazingly frugal and we were all comfortable. Parking wasn't too bad – Spain has some small spaces – but we managed.

If I was in any doubt about the Combo Life and why would you buy or want one, the Citan certainly changed my mind.

At test drive events, many reviewers don't test how the vehicles will be used in 'real-life'. But the Citan really was the true test of an MPV and what it is capable of.

Fleet highlights from Paris

RENAULT

RENAULT KADJAR

Available December **CO2** from 113g/km
Price from £20,000

A refreshed Renault Kadjar has been introduced as part of the WLTP homologation procedure. It features revised powertrains and styling changes.

The Kadjar is now available with updated diesel engines with a selective catalytic reduction system.

The Blue dCi 115, replaces the old 1.5-litre diesel, increasing power by 5PS and torque by 10Nm. It is available with a manual transmission at launch, and will be offered at a later date with the option of dual-clutch EDC transmission.

The Blue dCi 150, replaces the 1.6-litre model and increases output by 20PS. Mated to a manual transmission, it will be available in both two- and four-wheel drive models.

The refreshed Kadjar is also now available with a 1.3 TCE petrol engine, which is already available in Scenic, Captur and Mégane.

It is available in four versions – 140PS with a manual or EDC automatic gearbox and 160PS in both manual and automatic.

Exterior styling changes include the integration of LED indicators into the daytime running lights. The reversing lights and fog lamps also gain LEDs. It also has a wider grille.

Interior changes include improvements in quality, a new seven-inch multimedia touchscreen, a new control panel for the automatic air conditioning, more ergonomic seats, larger cup holders, extra USB sockets and improved heating distribution.

At its packed stand, the French brand also unveiled a new low-price electric car the K-ZE. The compact SUV has a 155-mile range and will initially be offered in China. Renault says the model may be offered elsewhere later.

In the UK, we will be getting hybrid versions of the Clio, Captur and Mégane. While exact details are yet to be confirmed, the latter two are likely to use a new 1.6-litre petrol and electric motor combo with plug-in ability.

AUDI

AUDI A1

Available End of 2018 **CO2** TBA **Price** from £18,000 (est)

Pictures of the new baby Audi had already surfaced, but the car made its public debut in Paris.

Taking design inspiration from classic Audi models, the new A1 has a far more distinctive appearance than the outgoing car.

It is expected to go on sale before the end of the year and will be available with 1.0-litre, 1.5-litre and 2.0-litre petrol engines.

Under the skin, the A1 shares a platform with the Seat Ibiza and Volkswagen Polo.

All models get a digital instrument cluster and the boot has grown by 65 litres.

SEAT

SEAT TARRACO

Available early 2019 **CO2** TBA **Price** from £25,000 (est)

Seat's first SUV will go on sale in December with delivery in Janaury. It rivals the Hyundai Santa Fe and Ford Edge.

It shares a platform with the Volkswagen Tiguan and Škoda Kodiaq, both of which will also be key rivals.

The car is expected to be more dynamic than its stablemates and is offered with two diesel and two petrol engines. A plug-in hybrid has been confirmed for release at a later date.

Inside, the Tarraco showcases a new interior design for the brand. It features a tablet-style infotainment screen and digital instruments.

PEUGEOT

PEUGEOT 508 SW

Available early 2019 **CO2** TBA **Price** from £27,000 (est)

Peugeot's electric and autonomous E-Legend concept was showcased alongside the Peugeot 508 SW (pictured below).

The E-Legend combines '60s muscle car looks with futuristic technology, but is unlikely to make production in the next few years.

The Peugeot 508 SW, however, will go on sale next year. The stylish new estate was shown with a new plug-in hybrid engine. The first 508 SW will appear in high-spec First Edition trim, featuring a polished wood boot floor.

The full range of trims and engines is expected to be available shortly thereafter, with prices from £27,000.

The plug-in hybrid offers a 32-mile electric-only range.

TOYOTA

TOYOTA COROLLA TOURING SPORTS

Available summer 2019 **CO2** 76g/km **Price** frim £21,500 (est)

A trio of new models made their debuts – the new Corolla Touring Sports (pictured above), Rav4 and Camry.

Joining the Corolla hatchback that was revealed earlier this year, the new Touring Sports estate model is aimed at customers who want good looks with uncompromised practicality, according to Toyota.

It will launch with a brand new 2.0-litre petrol hybrid powertrain with 180PS and CO_2 emissions of 87g/km. There will also be a 121PS 1.8-litre hybrid for those who want greater efficiency, emitting 76g/km and achieving up to 83mpg.

The entry-level powertrain will be a 115PS 1.2-litre petrol.

The new Rav4 will feature a 2.5-litre hybrid engine when it goes on sale next year.

Toyota confirmed the return of the Camry saloon to Europe. With the same 2.5-litre hybrid engine as the Rav4, the new model is expected to replace the Avensis.

MERCEDES-BENZ

MERCEDES-BENZ B-CLASS

Available spring 2019 **CO_2** from 109g/km
Price £25,000 (est)

Among the few fleet highlights was the debut of the new Mercedes B-Class.

While the B-Class isn't among the brand's best-selling fleet models, it is available with an RDE2-certified diesel engine. This means it will avoid the 4% benefit-in-kind tax surcharge.

The third-generation model features the same MBUX multimedia system as the new A-Class and promises enhanced driveability.

A sportier look is achieved through a longer wheelbase and short overhangs. This also provides more interior space.

Inside, a twin-screen setup is in keeping with the latest models from Mercedes, with two seven-inch displays featuring on the base models and two 10-inch displays on the high-end version.

Mercedes-Benz says the interior has been fine-tuned for practicality. An improved entry aperture to the centre tunnel in the rear makes for a more accessible middle seat. The rear seat backrest comes as standard with a 40:20:40 split.

With the rear seat folded down and luggage loaded to the roof, the luggage compartment, which is flat thanks to the adjustable load compartment floor, can accommodate up to 1540 litres behind the front seats.

A folding backrest of the front passenger seat makes for an even longer loading length.

Five engine variants will be available at the launch of the B-Class. The most efficient is the 180 d with 116PS. It can achieve up to 68mpg and emits from 109g/km of CO_2.

The most powerful is the 220 d with 190PS – this is only engine that currently meets RDE2 (Euro 6d) regulations. It has emissions from 116g/km.

There is also a mid-range 200d with 150PS. Petrol models consist of a 180 and 200 with 136PS and 163PS respectively.

All models feature an automatic transmission.

Active Brake Assist, which can help mitigate the severity of rear-end collisions with slower-moving, stopping or stationary vehicles ahead or prevent them altogether, is fitted as standard.

KIA

KIA PROCEED

Available March 2019 **CO_2** TBA **Price** from £22,000 (est)

Following the Ceed's debut earlier this year, the brand has now unveiled the Proceed – a 'shooting brake' estate with coupe-like styling and a large luggage compartment.

It is lower and longer than both the Ceed five-door hatchback and Sportswagon on which it is based and will be available as a GT-Line or high-performance GT model.

The Proceed GT-Line is available with a choice of three engines: a 1.0-litre T-GDi petrol with 120PS, a 1.4-litre T-GDi with 140PS and a 136PS 1.6-litre diesel.

In GT form, the Proceed is powered by a 1.6-litre T-GDi engine, as found in the upcoming Ceed GT – producing 204PS.

The rear of the car is what differentiates it fully from other models in the Ceed range, inspired by the layout of the 2017 Proceed Concept.

From launch, the Proceed will be available in a choice of 10 paint finishes. The Proceed GT-Line will have 17- or 18-inch alloy wheels, while Proceed GT models are fitted with 18-inch wheels as standard.

Inside the cabin, the Proceed features the same cabin as the Ceed, although it benefits from a series of changes designed to introduce a sportier ambience. The grey roofliner of the Ceed and Sportswagon is replaced with black cloth and the door sills feature metallic scuff plates.

DS

DS 3 CROSSBACK

Available Early 2019 **CO_2** from 0g/km **Price** £21,500 (est)

As part of DS's re-launch as a premium electric SUV maker, the brand has unveiled its new DS 3 Crossback.

The compact SUV is set to become the first all-electric DS, with an E-Tense version available alongside conventional petrol and diesel models.

On a full charge the DS 3 Crossback is expected to cover up to 186 miles, with an 80% charge available in just 30 minutes using a fast charger.

It features the familiar DS SUV grille and light signature, and between the front and rear door is the shark fin – carried over from the DS 3.

One of the key design features of the DS 3 Crossback is the folding flush-fitting door handles. The car can also be unlocked, started and locked using a smartphone, allowing the owner/driver to make the vehicle available to up to five users without having to give them a key.

Inside, the dashboard is adorned with a giant 10.3-inch infotainment screen, the same as in the DS 7. The interior features a significant upgrade from the old DS 3, with more premium materials and finishes.

The car will go on sale in early 2019 and is set to rival the Mini Countryman and Audi Q2.

VOLVO S90 T8

To get the best out of the plug-in hybrid S90, you need to operate within quite a narrow travel band – a daily commute of less than 30 miles.

Mine is 34 miles – does that tiny bit extra make a difference? When it comes to fuel efficiency, absolutely.

With only the option of charging at work, our S90's 25-mile electric-only range (28 miles if you select 'pure' drive mode) falls just short. And those few miles powered by the 2.0-litre petrol engine have a considerable impact on consumption.

Resetting the trip computer and using electric power returns a 'fuel' figure of 214mpg. Combine the 25 or 28 electric miles with around 10 petrol miles (from personal mileage and the return journey to work) and that immediately drops to mid-70s.

Not bad, but add in a few 200-mile journeys for business and suddenly you are averaging 45mpg (our current performance after some 1,200 miles with the car). The 2.0-litre diesel model we previously tested averaged 42mpg on commute, but mid-50s when a few longer journeys were thrown in.

It's worth pointing out that, even when the electric charge is officially depleted, the battery holds some in reserve, allowing you to pull away and build speed with a light right foot to close to 30mph before the petrol engine kicks in. It obviously helps to save fuel, but the overall result is a little disappointing; it definitely does not offset the huge £20,000 price premium over the £37,000 diesel S90.

Of course, the T8 tops the model range, showcasing the latest technology but also providing the most power (400PS versus 190PS for the diesel, more on this next time) and driving enjoyment of any S90.

And, sticking to the commute figures, 70mpg is pretty good – though disappointingly short of the official 128mpg (NEDC-correlated). In addition, drivers benefit from benefit-in-kind tax of 13%, resulting in a monthly bill of £331 for a 40% taxpayer, similar to a Ford Focus 2.0-litre TDCi auto.

Lots of positive then, but for longer distance drivers, this plug-in hybrid is probably not the answer.

Stephen Briers

AMG Line has a sportier look with bigger wheels

MERCEDES-BENZ E220D AMG LINE

E220D makes its mark in keenly contested segment

COSTS

P11D price	£43,695
BIK tax band (2018/19)	30%
Annual BIK tax (40%)	£5,243
Class 1A NIC	£1,809
Annual VED	£205 then £450
RV (4yr/80k)	£13,450
Fuel cost (ppm)	10.48
AFR (ppm)	12
Running cost (ppm)	55.67

SPEC

Engine (cc)	1,950
Power (PS)	194
Torque (Nm)	400
CO_2 emissions (g/km)	127
Manufacturer mpg	61.4
Real-world mpg*	58.9
Test mpg	55.4
0-62mph (sec)	7.3
Current mileage	5,542

Running cost data supplied by KeeResources (4yr/80k)
** Data supplied by Equa index*

By Gareth Roberts

The fifth generation E-Class faces stiff competition in the executive segment, with the new Audi A6 and the BMW 5 Series chief among its challengers.

In terms of P11D, the Mercedes-Benz E220d AMG Line Premium Plus we have on test comes second best to the A6. The E220d costs £43,695 compared with £43,235 for the A6 40 S Line, while the BMW 525 M Sport has a P11D value of £45,670.

It is a similar story on CO_2 emissions, with the A6 again coming out on top. It has emissions of 117g/km compared to 127g/km for the E220d and 131g/km for the 5 Series.

For a 40% tax-payer that means the E-Class will cost £5,243 in 2018/19, attracting a 30% benefit-in-kind (BIK) tax rate. The BMW 5 Series will cost more, falling into a 31% BIK bracket, at £5,663 in 2018/19, while the A6's lower emissions (28%) means a company car driver will pay £4,842.

However, taking into account depreciation, service, maintenance and repair (SMR), and fuel, the running costs of these three executive heavyweights are much the same. The E220d costs 55.67 pence per mile (ppm) to run – slightly less than the BMW's 55.92ppm and not a great deal more than the Audi's 53.23ppm.

The fact is there is very little to choose between these three models on paper. Driving the E220d, however, shows why it has already made its mark on the fleet market.

The 2.0-litre four-cylinder turbo-diesel opens the E-Class range in the E 200d and E 220d, giving a smooth, quiet drive that really impresses.

A nine-speed auto gearbox makes for low cruising revs of just 1,300rpm and, thanks to a slippery exterior, there is virtually no wind noise.

It is offered in four body styles four-door saloon, estate, coupe and convertible. There are two basic trims, SE and AMG Line, while Mercedes offers Premium and Premium Plus packages.

The entry level SE is well equipped, while the AMG Line (our test model) adds a sportier look with bigger wheels.

"The fact is there is very little to choose between these three models (Mercedes-Benz E220d, Audi A6 and BMW 5 Series) on paper"

TEST TIMELINE
Start End

ŠKODA KAROQ 1.6 TDI SE

Our Karoq's carrying capacity is put to the test

The Karoq offers a smooth ride and its handling is good

COSTS

P11D price	£22,690
BIK tax band (2018/19)	29%
Annual BIK tax (20%)	£1,316
Class 1A NIC	£908
Annual VED	£205 then £140
RV (4yr/80k)	£9,025
Fuel cost (ppm)	9.75
AFR (ppm)	10
Running cost (ppm)	30.30

SPEC

Engine (cc)	1598
Power (PS)	115
Torque (Nm)	250
CO_2 emissions (g/km)	120
Manufacturer mpg	61.4
Real-world mpg*	n/a
Test mpg	51.7
Max speed (mph)	116
0-62mph (sec)	10.7
Current mileage	9,470

Running cost data supplied by KeeResources (4yr/80k)
** Data supplied by Equa Index*

By Luke Neal

How many people can you fit in car? In a previous role on a different magazine I managed to fit 12 girls into a Citroën Saxo but, according to the Guinness Book of World Records, 28 very flexible women will fit into a Mini.

A vehicle's interior space is of great importance to me, not only for transporting humans (as my five-year-old son calls them) but as the owner of three classic vehicles the need to use my car in a van-like capacity to transport all kinds of vehicle parts large and small between my house, garage and bodyshop are plentiful.

Barely a month goes past without the need to carry a load of some kind and trips around the country to collect classic car eBay purchases are more and more frequent.

The manufacturer's 'seats flat' load capacity is an important number for me and the Karoq fairs pretty well. At 1,630 litres, it beats rivals such as the Ford Kuga (1,603), BMW X3 (1,600) and Mazda CX-5 (1,620) although it is topped by the Volkswagen Tiguan's 1,655 litres.

As with all my previous test cars, the Karoq has been put to use in this way most recently transporting freshly media-blasted classic Beetle panels to a nearby bodyshop.

Unfortunately, the Škoda's rear seats do not fold to create a flat floor creating an annoying step up in the load space. However, I can confirm it is possible to fit four Beetle wings, a bonnet and an engine lid into the back of the Karoq without needing to adjust the position of the front seats.

Another plus point is the smooth ride quality and handling which prevented the panels from crashing together and causing damage.

Over the past 5,000, miles the Karoq certainly seems to have loosened up and feels noticeable different in acceleration. The manufacturer's claimed 61.4mpg continues to elude me, although the car is returning a respectable indicated average of 51.7mpg – approximately 16% less than the claimed figure.

TEST TIMELINE
Start End

MINI COUNTRYMAN COOPER SE ALL4 PHEV

Our Mini Countryman PHEV has a long list of optional extras – the spec sheet runs to two pages and totals an eye-watering £7,610 (including VAT).

That includes Mini's popular Chili Pack (£3,300), which has useful features for company car drivers such as active cruise control, LED headlights with cornering lights and heated seats.

Sat-nav, Mini TeleServices (telematics), Mini Connected and real time traffic information are all standard. Mini says the addition of the latter, which drivers of BMW models will be familiar with, has been welcomed by company car drivers as they know whether there are any issues en route.

However, as clever as the system may be, it couldn't spare me from more than an hour delay on the M40 recently (frustratingly at the junction where I needed to turn off, with only 12 miles of my journey left).

Fortunately, the Countryman is a pleasant place to be when you're stuck in a traffic jam with its supportive seats and characterful interior.

I'm also a fan of the chunky Mini Yours leather steering wheel (£125) and the new touchscreen (finally!) even if I do find myself sometimes reaching for the rotary controller out of habit.

A few things I would change though: the head-up display (£490) feels intrusive and the connection for the charging cable on the front near side would be better at the back so I could reverse park when charging – an important factor for some fleets who stipulate their drivers reverse into spaces for better visibility when setting off.

Sarah Tooze

AT A GLANCE – THE REST OF OUR FLEET

Ford Fiesta 1.0 Ecoboost 125 ST Line
The Fiesta held its title as the UK's best-selling car in September with fleet registrations increasing 75%. Year-to-date sales are 5% up, reflecting the market's response to this desirable model. As the weeks pass, the Fiesta's appeal shows no sign of slowing.

Volkwagen e-Golf
The e-Golf has four selectable levels of battery regeneration, each providing different levels of 'engine braking' to charge the battery when you take your foot off the accelerator. However, turning the feature off altogether seems to be the most efficient option.

JOHN ELLIS

MANAGING DIRECTOR, NEXUS VEHICLE RENTAL

Sport and family are the two recurring themes in Ellis's life. He regards becoming MD of his company at 33 as one of his biggest triumphs, but he knows there are still goals to add

The advice I would give to my 18-year-old self is to trust your instincts. Provided you show the required flexibility when things change and you are open to listening to others who challenge your views, it is highly likely you will be on the right track.

If I were Prime Minister for the day I would increase bank holidays and remove average speed zones from motorways when there is no actual work going on.

My first memory associated with a car was being picked up from school at a young age after my parents had just bought our first car – a black VW Beetle.

The three vehicles I would like in my garage are... I don't need three cars. I'm not a Premier League footballer after all!

My favourite film? I'm a big fan of a good comedy, so something like *The Hangover* lets me unwind at the end of a tough week.

Hobbies and interests involve passionately supporting Manchester United. Outside the sporting arena, socialising with friends and family takes up most of the time when Dad's Taxi Service is not on duty.

The pivotal moment in my life was meeting my wife, closely followed by the birth of my two daughters (the second in the back of my Audi as we didn't quite make it in time!). For me, family comes first.

A book that I would recommend others read is *Memoirs of a Fruitcake* by Chris Evans – a particularly comical look at life.

My pet hate is sitting in traffic – if I can keep moving, but take a longer route, I always will.

I want to be remembered as a great bloke, great husband and a great dad.

Your first fleet role I joined Nexus straight from university in 2000 when there were only two people in the office. I guess you could say I was a mixture of operations, finance, admin, IT and – let's not forget – the north's best tea maker!

Career goals For the business, continuing to ensure Nexus is viewed as a market leader with a reputation for being great to deal with – for both our customers and suppliers. So far, I've achieved most personal goals, but there are always more to add.

Biggest achievement in business Growing Nexus from 50 vehicles on rent, to more than 11,000 today has been a massive success. Our two management buyouts were also great achievements and becoming managing director at 33 was a big step at a young age.

Career influence I've had the pleasure of working with three very different CEOs, who have each had an influence on my career. At home, my wife provides a valuable sounding board and ensures we remain grounded at all times.

Biggest mistake in business Pressing reply rather than forward to an email in my early career was a particularly bad mistake that I will NEVER repeat... the recipient was not impressed!

Leadership style I like to think I lead by example. I would never ask one of my team to do something I wouldn't do myself. I also try to have some fun along the way it is important to be able to work in an environment people feel positive about and humour always helps.

If I wasn't in fleet I think I would make a great barrister – arguing cases in court sounds very appealing.

Childhood ambition I wanted to be a sports journalist – watching sport and then writing about it sounded too good a job to be true.

Next issue: Stuart Raikes, Director, Alliance Transport Technologies

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P11D	BIK	CO_2	COMBINED MPG
£28,630-£17,730	28%-22%	138-91g/km	45.6-80.7

Official fuel consumption figures in mpg (l/100km) for the All-New Ford Focus range: urban 36.2-74.3 (7.8-3.8), extra urban 54.3-85.6 (5.2-3.3), combined 45.6-80.7 (6.2-3.5). Official CO_2 emissions 138-91g/km.

The mpg figures quoted are sourced from official EU-regulated test results (EU Regulation 715/2007 and 692/2008 as last amended), are provided for comparability purposes and may not reflect your actual driving experience. Information correct at time of going to print.